



Daily Report

East Asia

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Japan Proposes Creation of ADB Training Center

OW0105034396 Tokyo KYODO in English
0220 GMT 1 May 96

[FBIS Transcribed Text] Manila, May 1 KYODO — Japan's top representative to the Asian Development Bank's [ADB] governing board Wednesday [1 May] proposed the creation of a center in Tokyo to train officials of ADB developing member countries in the implementation of development policy.

"I am pleased to propose today the establishment of an ADB institute with the aim of promoting intellectual cooperation in human resource development and encouraging exchange of information on developmental experiences in the Asia-Pacific region," he said.

Bank of Japan Governor Yasuo Matsushita said during the second day of the annual ADB Board of Governors meeting that Japan has already earmarked 1.5 billion yen from the 1996 fiscal year budget for the project.

He urged other ADB members to support the creation of the training center, which will also be a center for exchange on development experiences by newly industrializing economies in the region.

Matsushita suggested that the institute be inaugurated during the bank's next annual meeting, to be held in the southwestern Japanese city of Fukuoka.

While he mentioned Japan's support for the replenishment of the Asian Development Fund, a matter expected to be at the forefront of discussions at the bank's meeting, Matsushita avoided going into details on how much Japan is prepared to commit to the fund.

The soft-loan window is about to run out of cash by year end, and bank officials have expressed concern that depletion of the fund would hurt the bank's support for the development of its poorer members.

Japan's Matsushita Views Demand for Capital in Asia

OW0105053996 Tokyo KYODO in English
0502 GMT 1 May 96

[FBIS Transcribed Text] Manila, May 1 KYODO — Bank of Japan Governor Yasuo Matsushita said Wednesday [1 May] he regarded the recent upturn of the Japanese yen as a temporary movement.

"In view of the decrease in Japan's current account surplus, it can hardly be considered that the situation warrants the yen's upswing," Matsushita told reporters at the headquarters of the Asian Development Bank.

Matsushita is in Manila to attend the bank's general assembly.

Referring to the Japanese economy, Matsushita said he hopes that corporate capital investment and consumer spending will make further strides to accelerate economic recovery.

He ruled out the possibility that problem loans held by Japanese banks would hurt strong demand for capital in Asian countries in view of their high levels of net worth.

Japan Pledges Support for Asia Development Fund Replenishment

OW0105045796 Tokyo KYODO in English
0441 GMT 1 May 96

[FBIS Transcribed Text] Manila, May 1 KYODO — Japan pledged support Wednesday [1 May] for replenishment of the soft-loan window of the Asian Development Bank (ADB) but did not specify how much it is willing to give the Asia Development Fund (ADF).

Yasuo Matsushita, Bank of Japan governor and Japan's top representative on the ADB's governing board, told a press conference that Japan "would like to vigorously support" the fund but that details on contributions are still under negotiations.

He also confirmed that a proposed interim fund as well as other "various possibilities" are under discussion as a means to avert the prospect of the ADF running dry by the year-end.

Bank officials have expressed concern that depletion of the fund would adversely affect the bank's support for the development of its poorer members.

Earlier Wednesday, Matsushita proposed the creation of a new training facility in Tokyo that will train officials of ADB developing member countries in how to implement development policy.

"I am pleased to propose today the establishment of an ADB institute with the aim of promoting intellectual cooperation in human resource development and encouraging exchange of information on developmental experiences in the Asia-Pacific region," he said in a speech during first business session of the ADB annual meeting.

Matsushita said Japan has already earmarked 1.5 billion yen for the project in the fiscal 1996 budget.

He urged other ADB members to support the creation of the training center, which will also be a center for exchanges on development experiences by newly industrializing economies in the region.

Matsushita suggested that the inauguration of the institute be done during the ADB's next annual meeting to be held in Fukuoka, southwestern Japan.

Japan

Tokyo-Washington Insurance Talks Slated for 14-15 May

OW0205043296 Tokyo KYODO in English
0418 GMT 2 May 96

[FBIS Transcribed Text] Tokyo, May 2 KYODO — Japanese and U.S. officials will meet in Tokyo on May 14-15 to settle the dispute over measures taken by Japan to liberalize its insurance market, Finance Ministry sources said Thursday [2 May].

From Japan, Haruhiko Kuroda, deputy director general of the ministry's International Finance Bureau, will participate in the meeting, they said.

Japan and the United States initially sought to settle the issue before U.S. President Bill Clinton's visit to Japan on April 16-18.

But the two countries failed to reach a compromise before Clinton's visit, and instead agreed to set a June 1 deadline for settling the issue.

At the center of the dispute is the scope of the so-called "third sector" products to be handled by life and nonlife insurance subsidiaries of Japanese insurers.

The U.S. has insisted Japan fully liberalize its primary life and nonlife insurance markets before allowing such subsidiaries to sell third-sector products.

The third sector covers sickness, accident and nursing insurance policies, where foreign companies are strong.

In the past two meetings in Washington, Japan presented compromise proposals for further liberalizing the primary market.

The proposals include approval of mail-order sales of auto insurance products and easier curbs on the setting of premium rates for accident insurance products.

The U.S. avoided an immediate reply partly because of a personnel change in the negotiating staff, ministry sources said.

Tokyo, Washington Reach Temporary 'Truce' in Aviation Talks

OW0105053296 Tokyo KYODO in English
0455 GMT 1 May 96

[By Kohei Murayama]

[FBIS Transcribed Excerpt] Washington, April 30 KYODO - Japanese and U.S. negotiators struck a transient "truce" agreement here Tuesday [30 April] over their passenger aviation dispute to accommodate the current and summer high tourist season, a senior Japanese official said.

The two nations agreed on a truce to avoid "a battle of imposing sanctions on each other in the high season," Japan's senior negotiator Jiro Hanyu told reporters after their two-day negotiations failed to bridge the major gap over how to begin formal talks on reviewing the passenger portion of the bilateral aviation treaty.

An agreement was also reached to resume talks June 3-4 in Tokyo, while the temporary accord remains in effect, said Hanyu, counselor in charge of international aviation at the Transport Ministry.

Under the truce accord, both nations will temporarily approve outstanding requests by airlines for new flights that have been deferred due to disputes over implementation of the 1952 bilateral treaty, Hanyu said.

Washington will allow Japan Airlines to operate three weekly flights between Tokyo and Kona, Hawaii, from Thursday until October 26, and also to increase flights between Sendai and Honolulu to seven from the current three weekly operations from Thursday for five weeks.

In return, Tokyo will permit United Airlines to increase weekly flight frequencies between Tokyo and Los Angeles to 14 from the current seven from Thursday for five weeks, and to fly seven weekly flights between Kansai International Airport in Osaka and Seoul from Thursday until Oct. 26.

Hanyu said both sides took "hostages" of allowing only five weeks for the Sendai-Honolulu flights and the Tokyo-Honolulu operations in order to ensure that they live up to commitments made for resuming talks in June.

At the planned next session, the two sides promised to address Japan's call for an early start of formal talks on reviewing the treaty's passenger portion and to discuss U.S. interests in long-standing issues such as United Airlines' request for operating beyond Kansai Airport to Jakarta.

Hanyu said Japan maintained that the talks on the treaty should be held in parallel to outstanding individual issues, but the U.S. side insisted that individual issues must be resolved before launching treaty talks.

U.S. officials were not available to comment on the two-day negotiations. [passage omitted]

Tokyo Sounds Out EU for Multilateral Private Chip Talks

OW0205041296 Tokyo YOMIURI SHIMBUN
in Japanese 1 May 96 Morning Edition p 6

[Article by Nobuyuki Sakai]

[FBIS Translated Text] Brussels, 29 Apr — With regard to the issue of extending the Japan-U.S. semiconductor

agreement, Japan has sounded out the European Union (EU) for a possibility of holding semiconductor talks among various countries in addition to Japan and the United States that have opened up their markets, and the talks will be attended mainly by representatives from the private sector. This was disclosed on 29 April by a source of the Japanese Government mission to the Japan-EU ministerial conference. It is because the government believes that if bilateral talks should be shifted into multilateral ones, the details of consultations will become fair and transparent, thereby losing the coloration of government-managed trade.

Concerning the Japan-U.S. semiconductor agreement that will expire at the end of July, a serious confrontation exists between the two countries: While the United States aims at renewing the agreement, Japan wants to change it into a gentleman's agreement at the private-sector level.

While avoiding a prompt answer to Japan's proposal for holding the multilateral talks, EU pointed out that "as a matter of fact, the trade authority cannot afford to remain utterly indifferent to the issue," (as stated by a senior EU official in charge of Japan affairs). Therefore, it is said that while the consultations will be conducted with the private sector playing the major role, the government will study the possibility of its limited participation in the consultations as an observer.

Since EU itself views that European companies have no competitive force against Japan in the field of general-purpose semiconductors, it has no expectations for reaching an agreement on expanding the EU share in Japan by a large margin at the intergovernmental talks. On the contrary, the European industrial circles have determined that it will be a better policy to strengthen cooperation in joint development with Japanese companies that are proud of their advanced technology.

However, by eventually insisting on a plan to hold trilateral semiconductor talks at the governmental level with Japan and the United States, EU indicated its stance on retaining a "card" for forming a scrum with the United States [meaning its stance on maintaining ties with the United States].

EU has long been victim-conscious, believing that Japan has favorably treated the United States in the past trade talks. Since the current ministerial talks were held under the Japan-U.S. confrontation on the semiconductor accord, EU wanted all the more to ensure its advance into Japan's market not only in semiconductors but also in other fields in return for its support for Japan at the talks. Japan and EU will once again exchange views when European Commission

[EC] Vice President Leon Brittan visits Japan in mid-May.

At the talks on individual issues of the ministerial conference, Japan made a three-point demand such as reduction of tariff on CD-ROM's, while EU called for purchase of air buses, simplification of the animal quarantine procedures, and abolition of nontariff barriers on foods, cosmetic goods, and other items. However, thanks partially to a decrease in Japan's trade surplus with EU, the talks were conducted in an extremely smooth manner.

Among the participants in the talks from the Japanese side were: Foreign Minister Yukihiko Ikeda, Minister Shumpei Tsukahara of the Ministry of International Trade and Industry, and Economic Planning Agency Director General Shusei Tanaka; and from the EU side were EC Vice President Brittan (in charge of external issues and trade), and other EC commissioners, including Mario Monti.

Japan: Fishing Cooperatives Want Return of Military Drill Zone

OW0205125396 Tokyo KYODO in English
1156 GMT 2 May 96

[FBIS Transcribed Text] Kochi, Japan, May 2 KYODO — A group of 38 fishing cooperatives from Japan's western main island of Shikoku said Thursday [2 May] it will demand immediate return of a sea area that has been used for U.S. military exercises since 1952.

The 7,400-square-kilometer Lima zone, south of Cape Ashizuri on the southern tip of Kochi Prefecture on the island, is rich in tuna and bonito stocks, but is off-limits for fishing fleets Monday to Friday from 6 a.m. to 6 p.m.

The cooperatives, all based in the prefecture, said they were encouraged to push the demand by Washington's pledge to return some of the land occupied by the U.S. military in the southwestern island prefecture of Okinawa, including the Futenma airfield in the town of Ginowan.

The fishermen also plan to directly negotiate the return of the Lima area with the Defense Facilities Administration Agency.

In 1994, the agency paid 1.5 billion yen to a prefectural fisheries association to compensate for loss of catches in the area.

There have been no reports of injuries to civilians or damage to vessels in the four decades the U.S. military has used the area for drills including live-ammunition exercises.

However, fishermen have complained about submarines suddenly emerging alongside their boats and near-misses by uncharged weapons. The Lima zone is also used by Japan's Self-Defense Forces.

In February, the Kochi prefectural assembly adopted a resolution calling for rescinding of the specially designated drill zone, which was sent to Prime Minister Ryutaro Hashimoto.

Tokuma Sasaoka, who heads the Kochi group, said the fishermen are no longer willing to see their demand brushed off, and will "voice their protest with much more radical means from now."

Japan: ODA Chief Okabe in Okinawa To Inspect U.S. Bases

OW0105235396 Naha RYUKYU SHIMPO in Japanese 1 May 96 Morning Edition p 2

[FBIS Translated Text] Saburo Okabe, secretary general of the Okinawa Development Agency [ODA], came to Okinawa on 30 April to inspect the U.S. military bases. He indicated a positive attitude on the utilization of returned military land, saying "We will discuss with the prefectural government and work on the effective use of returned bases."

However, with regard to Okinawa's demand that the national government legislate special laws and provide financial assistance for the return of bases, and for the promotion of use of returned land, he stated that "the base issue is a problem for the Foreign Ministry and the Defense Facilities Administration Agency [DFAA]," indicating this is beyond his jurisdiction.

After the recent agreement by the Japan-U.S. Special Action Committee on Okinawa to return 11 U.S. military facilities in the prefecture, Okabe expressed his wish to come to Okinawa "to see the 11 facilities personally," (as stated by Okabe). During this visit, he will inspect nine facilities, including the training ground for live-fire exercises across Prefectural Highway 104 in Camp Hansen, the Senaha Communications Facility, Marine Corps Air Station Futenma, Yomitan Auxiliary Airfield, Sobe Communications Facility, Camp Zukeran, and Naha Military Port.

In response to questions from reporters in Naha City after arriving in Okinawa, Okabe said: "While the agreement to return the Futenma base will not solve all problems, there can be no solution unless we start somewhere." He stated that the agreement "is very good" even though it comes with certain conditions, including relocation.

With regard to special legislation and financial assistance, Okabe limited himself to saying: "Concrete mea-

sures will have to be handled by the Foreign Ministry and the DFAA. The ODA will discuss with the prefectural government and work on the effective use of returned land."

Japan: Officials Comment on Relocation of Futenma Base

OW0105125996 Tokyo KYODO in English 1234 GMT 1 May 96

[FBIS Transcribed Text] Naha, Japan, may 1 KYODO — Saburo Okabe, director general of the Okinawa Development Agency, said Wednesday [1 May] the government's task force for the planned relocation of the U.S. Futenma air base in Okinawa Prefecture will also discuss the future use of the site.

Okabe told a press conference the talks over use of the site will go in tandem with the main task of discussing the relocation of the base.

Japan and the United States agreed in April to trim by more than one-fifth the occupancy of land by U.S. military bases in the southernmost island prefecture of Okinawa, centering on the return of the Futenma airfield within five to seven years.

Okabe also voiced caution over enacting new special legislation for financial support for returns of U.S. military bases, as requested by some local administrative offices in Okinawa Prefecture.

"There are a lot of things that can be done under current law," said Okabe, who is in Okinawa Prefecture inspecting the U.S. bases there.

Meanwhile, Yoshimitsu Kifune, mayor of the city of Iwakuni in Yamaguchi Prefecture, presented to the Iwakuni Municipal Assembly a proposal to establish a special council to discuss the relocation of the functions of the Futenma base to the U.S. Iwakuni base in western Japan.

The council will be a forum for discussions on the issue between the state, the prefecture and the city, Kifune told the assembly.

The Japan-U.S. agreement in April, which stipulated the transfer of part of the functions of the Futenma airfield to the Iwakuni base, drew cries of protest among local communities in Iwakuni.

Prime Minister Ryutaro Hashimoto apologized Tuesday to Kifune for not consulting the local governments about the plan before the announcement.

Kifune said he proposed the establishment of the council when Hashimoto voiced a desire to hear more from local communities over the issue.

Japan: ODA Chief Discusses Futenma Base Relocation, Special Laws

OW0205132796 Naha OKINAWA TIMES in Japanese
2 May 96 Morning Edition p 2

[FBIS Translated Text] On 1 May, Saburo Okabe, Okinawa Development Agency [ODA] director general, stated his impression of the U.S. Marine Corps Air Station [MCAS] Futenma, which he inspected on the same day. He said: "Taking a panoramic view of the base from the control tower, I felt it was a completely different world. I keenly realized that it is a vast expanse of area." Okabe made the remarks during a news conference at a Naha hotel. Regarding issues that have to be tackled in the future, he said: "We must obtain the understanding and cooperation of the concerned people, particularly residents in areas selected for alternative sites for MCAS Futenma. I deeply feel that the return of MCAS Futenma is symbolic work for building Okinawa toward the next century." Indicating a cautious stance on special legislation [for financial support for return of U.S. military bases], he said: "At first, we need to discuss in detail as to what extent we can do work under the current legislation system."

Okabe arrived in Okinawa Prefecture on 30 May. He inspected nine of the 11 facilities — of which the return was decided on in an interim report announced by the Japan-U.S. Special Action Committee on Okinawa — excluding the Northern Training Area and the Ginbaru Training Area.

The ODA will join the task force for implementing the agreements reached by Japan and the United States. In this connection, Okabe indicated: "Some of the 11 facilities are scheduled to be transferred to other areas. Discussion will be focused on this point for the time being." He added: "We also have to discuss the issue of utilizing returned military land in parallel with the implementation of the base agreements. Giving the utmost consideration to local residents' intentions, we would like to carry out the task in close cooperation with the prefectural government."

Indicating a cautious stance on special legislation, he said: "The contents of the demand for enacting special legislation are not clear. There are a lot of things that can be done under the current legislation system. If the existing laws are insufficient, we need to enact new legislation. However, we first have to discuss as to what extent we can do work under the current legislation system."

Regarding the handling of the prefectural government's idea of forming and improving international urban communities and its action program for the return of military bases, Okabe said: "Based on the current situation

[following the Japan-U.S. agreements], the prefectural government intends to hold final consultations at a committee meeting attended by learned men. We intend to deal with the issue after receiving a briefing from the prefecture."

Concerning the issue of constructing the new Ishigaki airport, he said: "Selecting an appropriate site is a major precondition. However, since the 7th airport development program is scheduled to start this fall, we do not have much time. We expect that the prefectural government will select an appropriate site at an early date in cooperation with the people concerned."

Japan: Base Reduction Task Force Meeting Slated for 9 May

OW0205045096 Naha OKINAWA TIMES in Japanese
1 May 96 Morning Edition p 2

[FBIS Translated Text] Hiroshi Hirabayashi, chief of the Cabinet Councilors' Office on External Affairs, visited Okinawa Governor Masahide Ota at the Okinawa prefectural office on the afternoon of 30 April. He informed Ota that the first meeting of the task force to carry out the Japan-U.S. agreement on Okinawa base reorganization and reduction, including return of Futenma Air Station, will be held on 9 May. By saying that "the cabinet will make utmost efforts to tackle the base problems," Hirabayashi conveyed the government's intention to take the initiative in promoting return of the bases and studying how best to use them after their return. Governor Ota, while explaining islanders' strong opposition to the base relocation, accepted Hirabayashi's report as a sign that the government started the creation of a full-scale framework for the base return. He then expressed gratitude, saying: "I am relieved a little." With the start of the new task force, the central and Okinawan Governments will discuss ways to share the tasks and what systems are needed for the effective use of the base land after it is returned.

According to Hirabayashi, the task force will handle all assignments stated in the interim report based on the Japan-U.S. agreement and will "especially work toward implementing the return of Futenma Air Station." The government will send Deputy Chief Cabinet Secretary Teihiro Furukawa and members of both Cabinet Offices on Internal and External Affairs. From Okinawa Prefecture, Vice Governor Masanori Yoshimoto and Policy Coordinator Tatsuo Matayoshi are expected to attend the meeting.

"Although Japan and the United States reached an agreement, the point in question is how to implement the return of the bases. The cabinet would like to make utmost

efforts." Hirabayashi stressed the active involvement of the government. In reply, Governor Ota welcomed the holding of the first meeting. He said: "We are facing difficult problems as local municipalities selected as alternative sites for relocation adopted protest resolutions. I would like the government's actual involvement to solve these problems."

Prior to his meeting with Governor Ota, Hirabayashi held a two-hour meeting with Vice Governor Yoshimoto to exchange opinions.

In this meeting, they confirmed the government's plan to hold the first meeting of the task force on 9 May after the fifth meeting of the working group under the committee on U.S. base-related problems on Okinawa to provide Okinawa an official briefing on the Japan-U.S. agreement.

Regarding the characteristic and mission of the task force, Yoshimoto said: "We will examine how to share these tasks with the central government and specify what to do from now on." The vice governor explained that the government and Okinawa are trying to find out each other's administrative stance to promote the base return. He also indicated his intention to discuss with the government the necessity of special legislation to materialize Okinawa's international city project.

Japan: 'Sources' Predict Okinawa Panel To Reject Land Use Call

OW0205131196 Tokyo KYODO in English
1019 GMT 2 May 96

[FBIS Transcribed Text] Naha, Japan, May 2 KYODO — An Okinawa prefectural committee is likely to reject a central government request for emergency use of a land plot in a U.S. military facility whose lease contract expired at the end of March, committee sources said Thursday [2 May].

A majority on the committee have agreed to turn down the request because the government has not provided enough reasons to back it, the sources said.

The Okinawa Prefectural Land Expropriation Committee, an independent body consisting of seven local lawyers and scholars, will inform the Defense Facilities Administration Agency's local office of its decision on the issue May 11, they said.

Even after the expiration of the leasing contract, the government has allowed the U.S. military to continue using the plot without any clear legal basis, while filing the request with the committee to permit emergency use for six months.

The committee's rejection is likely to leave the government in a difficult situation over the illegal occupation of the 236-square-meter plot lying within the U.S. navy's Sobe communication facility in Okinawa Prefecture, southwestern Japan.

Central government officials say the continued use is justified under the Japanese Government's obligation in the Japan-U.S. security pact to provide land for U.S. bases.

Shoichi Chibana, the 47-year-old owner of the land plot occupied by the Sobe facility, who has refused to rent his land to the U.S. military following the March 31 expiry of the lease, said he will enter his land May 14 in the first of his two planned visits to his property approved by the central government.

In court-mediated negotiations at the Naha District Court, the government agreed to allow up to 30 people per visit, including Chibana, to enter his plot twice by the end of June.

The property dispute flared up when Okinawa Gov. Masahide Ota refused in November to sign documents needed for the continued forced leasing of land to the U.S. military following the public outcry over the rape of a local elementary schoolgirl by three U.S. servicemen in September.

Japan: Okinawa Education Commissioner Protests Marine Trespassing

OW0205043596 Naha OKINWA TIMES in Japanese
1 May 96 Morning Edition p 23

[FBIS Translated Text] On 30 April, U.S. Marines carried out a measurement work — without permission — on the grounds of the Prefectural Yokatsu High School (with Seitoku Yabiku as the principal and with a total of 631 students) located in Henna of Katsuren Town.

Commenting on this incident, Chowa Nakazato, chairman of the Okinawa Prefectural Education Committee, stated that "it is an impermissible act not in accordance with common sense." He intends to file a protest with the U.S. side as soon as on 1 May.

In response to the inquiry from the mass media, the U.S. Marines merely stated that "it is under investigation," but failed to explain details about how they trespassed the school grounds without permission.

Education Commissioner Nakazato issued a strong protest to the effect that "the fact that classroom instructions were not affected" but that "whatever the reason is, U.S. servicemen should never be allowed to commit such an act."

Three servicemen in battle dress, who belong to the measurement squad of the 12th Marines Company under the U.S. Marine Corps, trespassed the school grounds for about an hour from 0800 to engage in the measurement work.

According to the servicemen, "they were engaged in measurement work for the purpose of drawing maps by confirming radio waves transmitted from artificial satellites that pass high in midair."

Japan: Mayor Urges Reconsideration of Futenma Transfer

OW0205052496 Tokyo ASAHI SHIMBUN
in Japanese 30 Apr 96 Morning Edition p 22

["Summary" of Yomitan Village Mayor Tokushin Yamauchi's letter addressed to leaders of Japan and the United States]

[FBIS Translated Text] Dear Mr. President Bill Clinton and Mr. Prime Minister Ryutaro Hashimoto:

I had mixed feelings when I watched a news conference on the television regarding your agreement to return the Marine Corps Air Station [MCAS] Futenma. I was half happy and half angry.

The return of "Futenma" will not impair the base functions. It is as if moving out from an old house (base) to move into a new one which the Japanese Government prepared. With this thinking, the United States will never be able to understand the pain of the Okinawan people.

There is another problem that gravely concerns us. In the joint news conference, there was a simple reference to Futenma that said, "To maintain Futenma's critical functions, a heliport will be constructed within an existing base on Okinawa." Later, we discovered that it is not going to be just a "heliport." Its probable construction site is within the Kadena ammunition depot area.

It appears that the United States is requesting the construction of 300-hectare airport, including a new runway. Is it a rational request that meets the need of the times?

The drastic solution is to transfer the MCAS Futenma to the United States. If an immediate transfer is difficult, we ask you to consider broadening the selection scope for alternative relocation areas to, at least, "the Asia-Pacific region."

Your decision is to pass the function of Futenma around among bases that already exist in Okinawa without a drastic plan for its complete return. I must say that the

two governments have an extremely low opinion of the Okinawan people.

The two leaders agreed at the summit on "the establishment of new Japan-U.S. alliance relationship toward the 21st century." To establish the bilateral relationship in which the peoples of the two countries could enjoy and trust each other, what we need now is the courage and endeavor to carry out drastic reform in ways to solve U.S. force-related problems on Okinawa. Sincerely yours, Okinawa Prefecture Yomitan Village Mayor Tokushin Yamauchi

Japan: Okinawa Landowner Expected To Enter U.S. Base Land 14 May

OW0205044996 Tokyo KYODO in English
0359 GMT 2 May 96

[FBIS Transcribed Text] Naha, Japan, may 2 KYODO — The owner of a plot of land within a U.S. military facility on which the lease has expired said Thursday [2 May] he will enter his land May 14, as the first of his two planned visits to his property approved by the central government.

Shoichi Chibana, 47, a local grocer, said he will inform the Naha regional Defense Facilities Administration Bureau of the date of the first entry as he has been requested to do.

In court-mediated negotiations at the Naha district court, the central government agreed to allow up to 30 people, including Chibana, to enter his 236-square-meter plot on the grounds of the U.S. Navy's Sobe communications facility in Okinawa Prefecture twice by the end of June.

Asked what he plans to do May 14, Chibana said he wants to first celebrate the entry with his family and then measure the land to confirm its size and other details.

He said that on the second entry, probably around June 22, he will hold a memorial service for his uncle, who used to live on the land and who was reportedly killed in World War II.

Chibana filed a lawsuit with the district court in April demanding access to his land after the lease expired at the end of March.

Since the forced lease expired, the government has been continuing to rent the land to U.S. forces without any clear legal basis, saying Japan has an obligation to provide land to U.S. forces under bilateral security arrangements.

Japan: Foreign Minister 'Optimistic' on Getting UNSC Seat

OW0205020796 Tokyo KYODO in English
0134 GMT 2 May 96

[FBIS Transcribed Text] Johannesburg, South Africa, May 2 KYODO — Japan's Foreign Minister Yukihiko Ikeda voiced optimistic views Wednesday [2 May] on Japan's bid for nonpermanent membership to the UN Security Council (UNSC).

"I think our campaign has been held to our advantage as a whole," Ikeda said in an interview at a Johannesburg hotel with Japanese reporters traveling with him.

"I believe African nations think my visit here will enhance relationships with Japan in terms of economic cooperation, so this visit cannot have any negative influence," said Ikeda, referring to this fall's election for the UNSC membership.

Ikeda also said Japan has no intention for the time being to have talks with India, a rival candidate in the scheduled election.

Asked about the idea of Japan co-hosting the 2002 World Cup soccer finals with South Korea, Ikeda said, "it is impossible to co-host the World Cup, unless the rules of FIFA [Federation of International Football Associations] are changed, and we should refrain from meddling into such affairs."

The 21-member executive committee of soccer's world governing body FIFA will pick either Japan or South Korea as the host nation in a vote June 1.

The Japanese foreign minister, who arrived in South Africa on Tuesday to attend the general meeting of the UN Conference on Trade and Development (UNCTAD), left here Wednesday for Turkey.

Japan: Foreign Minister Ikeda's UNCTAD Statement

OW0105151796 (Internet) Japanese Ministry of Foreign Affairs WWW in English 1 May 96

[Text of a statement by Foreign Minister Yukihiko Ikeda at the General Debate of the UNCTAD [UN Conference on Trade and Development] IX issued on 30 April; from the "What's New" link]

[FBIS Transcribed Text] Mr. President, Mr. Secretary General, Distinguished Delegates:

On behalf of the Government of Japan, let me begin by expressing my congratulations to the Republic of South Africa for hosting this UNCTAD IX. It is quite opportune for us to have this conference here in South Africa, now reborn with a bright future, for the purpose

of discussing development issues in the context of the new international situation.

I also wish to express our deepest appreciation to President Nelson Mandela and all concerned in the South African government for the tremendous efforts they have made to host this conference, as well as to offer my heartfelt congratulations to Your Excellency, Minister Erwin, on your assumption of the presidency. Japan also heartily welcomes the offer of the Government of Thailand to host the next UNCTAD X, which was extended by H.E. [expansion unknown] Deputy Prime Minister Amnuai in his speech earlier, and was endorsed immediately at this meeting.

Changes in the international economic situation and a new development strategy Mr. President,

The expansion of market economies and tremendous technological innovation have generated an unprecedented dynamism in the international movement of goods, capital and information. In response to these changes in the international economic situation, individual countries have been tackling the liberalization of their domestic economies with various policy measures, including deregulation and privatization, while working to strengthen the multilateral free-trading system through such means as establishing the World Trade Organization [WTO].

In this current context, it is essential that developing countries integrate themselves smoothly into the new framework of the international economy in order to ensure the stability of the international order and the development of the global economy as a whole. However, it is a fact that many developing countries are still beset by serious problems that prevent them from being fully integrated in the global market, including internal conflicts, poverty, inadequate social and economic infrastructure, unstable macroeconomic conditions and under-developed private sectors.

Therefore, in order to more effectively address development issues, I wish to stress the need to formulate a new development strategy based on the idea of the "New Partnership" between developing and developed countries, the concept put forward at the last UNCTAD conference in Cartagena. We are of the view that the international community as a whole should work together seriously while the developing countries are making their self-help efforts. I think we should keep several factors under consideration when formulating this new development strategy.

First, it is important for both developing and developed countries to have a common vision with respect to the results to be achieved by development. To this

end, I believe it is appropriate to establish a set of objective goals that focus on achievable results. It will be effective for developing and developed countries to take a cooperative approach based upon the "New Partnership" to achieve development targets. With respect to economic development, these targets could include, for example, the reduction of the number of people living in extreme poverty, which is currently estimated at some 1.3 billion. With respect to social development, these targets could include, among others, the provision of universal primary education and the reduction of infant mortality and mortality among expectant and nursing mothers.

Second, within the context of the rapid globalization of the economy, the role played by the private sector in achieving development has grown in importance. Because of this, it has become particularly important to establish an economic environment that will permit private companies to freely and actively engage in economic activities. It is, therefore, necessary to adopt a comprehensive approach encompassing a wide variety of measures such as establishing appropriate legal frameworks and administrative systems, stabilizing macroeconomic conditions, promoting trade and investment and facilitating technology transfer in developing countries.

Third, I would like to point out the fact that some countries have been able to prosper by taking full advantage of the opportunities derived from changes in the global economy, while others have not. Also, there are differences in the particular social and cultural conditions, environment and natural resources in each country. It is thus crucial to adopt an individual approach that combines the most appropriate policy mix for each country in question.

UNCTAD's new role and Japan's cooperation Mr. President,

What role should UNCTAD play in international efforts to promote development? We believe that UNCTAD should be an international organization that can help developing countries to integrate themselves into the world economy and take advantage of the opportunities brought about by changes in global economic conditions. In more concrete terms, UNCTAD should engage in action-oriented dialogue based on high-level research and analysis conducted by the Secretariat, identify appropriate measures to be taken and provide technical assistance tailored to meet specific needs.

To facilitate these efforts, it is necessary for us to shift from the politically motivated confrontational style between North and South that has characterized UNCTAD in the past to the promotion of cooperation founded on a "New Partnership" between developing and developed

countries. In order for UNCTAD to fulfill this role effectively with the limited resources at its disposal, it is crucial to focus its activities on the issues of greatest concern to developing countries, namely, adaptation to economic globalization and liberalization. It seems fair to say that UNCTAD's activities in recent years have not achieved their full potential because of the lack of such clear focus.

The aim of reforming UNCTAD lies in the strengthening of its activities to facilitate the integration of developing countries into the global economy. In this sense, reforms must not end with simply the saving of resources; rather, part of the resources saved should be reinvested in activities such as technical cooperation that will truly benefit developing countries. Japan strongly hopes that other countries will support this concept of reinvestment of resources saved. UNCTAD reforms are viewed as a test case for UN reforms in the economic and social fields. For the sake of revitalizing the UN system as a whole, Japan believes it is extremely important for this UNCTAD IX to agree on concrete reform plans and to take necessary actions. Furthermore, Japan strongly supports the Secretary General's efforts to reform the Secretariat. Mr. President,

Japan is prepared to intensify its cooperation with UNCTAD so that it can prioritize its activities and make more concrete contributions in line with the ongoing globalization of the international economy. In particular, I believe UNCTAD should give priority to promoting South-South cooperation in trade and investment. I am also convinced that much can be learned from the experiences of newly industrialized countries, which have successfully adapted to changes in the global economy and have achieved rapid economic growth. Japan endorses UNCTAD's positive efforts to contribute to the sharing of these experiences with developing countries.

Japan is prepared to make contributions to UNCTAD for its efforts to analyze the diverse factors that have contributed to economic growth in East Asia, to study adopting the approaches to growth in other regions, to help establish appropriate systems within developing countries that are striving to join the WTO and to promote the commercialization of primary commodities. Japan wishes to ensure that the least-developed countries will greatly benefit from the implementation of these specific cooperation measures.

Addressing the issue of development in Africa Mr. President,

Currently, 33 out of the 48 least-developed countries in the world are located in Africa. The promotion of

development in this region is thus an issue of the highest priority for the international community. While per capita GNP increased by an average of 4 percent among developing countries as a whole between 1980 and 1992, it decreased by an average of 1.8 percent among the African nations. This fact indicates that poverty continues to be a serious problem for this part of the world. Furthermore, some African countries have not yet achieved political stability indispensable to make progress in nation-building.

On the other hand, as is represented by Southern African countries in recent years, "a new trend" is looming in Africa: an increasing number of countries have achieved national reconciliation as well as democratization, and have been making efforts for steady nation building, including implementation of structural adjustment policies.

It is also necessary to assist their democratization efforts and to strengthen the support of the international community in the basic social sectors that are most likely to be affected when economic reforms are undertaken. From this viewpoint, Japan hosted the Tokyo International Conference on African Development (TICAD) in 1993. The conference concluded with an agreement on the importance of self-help efforts and good governance on the part of the African countries, as well as on the need for a "New Partnership" within the international community for the undertaking of development efforts.

As announced at TICAD, Japan has organized follow-up meetings to make use of the Asian experience for African development and has provided active support to Africa in the five priority fields of democratization, economic reform, human resource development, environmental protection as well as greater effectiveness and efficiency in providing assistance through policy dialogues. In addition, Japan has been actively addressing such important global issues as population, HIV-AIDS and the eradication of polio. Japan is committed to making an active contribution to completely ridding the African continent of polio by the year 2000.

With a view to reviewing the progress made since TICAD and to further enhancing the momentum of efforts toward African development within the international community, Japan proposes that the second meeting of the Tokyo International Conference on African Development (TICAD II) be held in or around 1998, and its preparatory meeting in 1997, both in Tokyo. Japan would like to have high-level participation from Asian countries as well in these meetings. Furthermore, to promote the development of human resources in Africa, Japan supports having the international community set

a goal of giving all African children access to primary education by the year 2015.

In this connection, I am pleased to announce Japan's intention to provide assistance amounting to 100 million US dollars over three years for the purpose of expanding education in Africa. Also, with regard to human resource development, Japan intends to accept approximately 3,000 trainees from African countries over the next three years for technical training courses in Japan, and make available 2 million US dollars, out of its contribution to the Japan UNDP Human Resources Development Fund, to promote South-South cooperation, including Asia-Africa cooperation.

Conclusion Mr. President,

Various discussions have been conducted concerning the role the UN can play in the development field. This UNCTAD IX will serve as an important touchstone for indicating the future course of these discussions. I would like to close my statement by saying that Japan sincerely hopes this conference will be successful and that we will spare no effort to make it so. Thank you.

Japan: MOFA Spokesman on Russian Relations, UNCTAD

OW0105163396 (Internet) Japanese Ministry of Foreign Affairs WWW in English 30 Apr 96

[News conference by Japanese Ministry of Foreign Affairs spokesman Hiroshi Hashimoto with unidentified reporters on 30 April; place not given; from the "What's New" link]

[FBIS Transcribed Text] [Topics of Discussion] I. Introduction to the Press Conference and announcements to the Press

A. Japan's announcements relating to development in Africa at the General Assembly of the UN Conference on Trade and Development (UNCTAD)

B. Position of the Government of Japan regarding situations in the Republic of Paraguay II. The Meeting between Foreign Minister Yukihiko Ikeda and NATO Secretary-General Javier Solana Madariaga III. Japan-Russian Federation relations IV. Exchange of defense cooperation between Japan and the Russian Federation V. Feasibility of Japanese purchase of Russian arms VI. Matters relating to Russian Federation military strength VII. Matters relating to possible talks on the normalization of relations between Japan and the DPRK [North Korea] VIII. Possible North Korean involvement in the Asian Development Bank [ADB] IX. Matters relating to Japan and the Union of Myanmar [Burma]

I. Introduction to the Press Conference and announcements to the Press

A. Japan's announcements relating to development in Africa at the General Assembly of the UN Conference on Trade and Development (UNCTAD):

Foreign Ministry Spokesman Hiroshi Hashimoto: Good afternoon, ladies and gentlemen. I think you have already received copies of several documents related to the UN Conference on Trade and Development (UNCTAD), which is now taking place in Midland, the Republic of South Africa. Foreign Minister Yukihiko Ikeda is going to address the Assembly tonight at 22:15 Japan time. I ask you to refrain from publicizing the documents, especially the one which is titled "Japan's Initiatives on Assistance to Africa," as the documents are embargoed until that time. I would like to quickly explain to you several points from Foreign Minister Ikeda's speech.

Foreign Minister Ikeda is going to propose three concrete matters in his speech. The first one is to hold the second meeting of the Tokyo International Conference on African Development (TICAD II). The second one is Japan's initiatives to assist human resources development in Africa. The third one is Japan's initiatives on the eradication of the polio disease, to achieve health for all in Africa. As for the TICAD II meeting, after the end of the Cold War, unfortunately, many countries in the world began to lose interest in the development of Africa.

The Government of Japan thought it undesirable, and took initiatives to hold the first Tokyo International Conference on African Development in 1993. The TICAD Declaration said that the participants intend to hold a conference of a similar magnitude and membership, at the latest, before the turn of the century. Now, Foreign Minister Ikeda is going to propose to hold the second meeting in 1998. Japan does not have a specific, strategic interest in Africa. However, when we think of the development of the world in the 21st century, we should not neglect Africa. It is important to let the African countries develop; it is very important for the stability of the world. In this sense, the Government of Japan once again wants to address to the world the importance of the development of Africa.

Japan's initiatives are based on some concrete projects related to the development of African countries. That is what Foreign Minister Ikeda is going to say at the UNCTAD Assembly. Foreign Minister Ikeda will state Japan's assistance for education in Africa, in order to achieve education for all. In 1995 in Beijing, the World Summit for Social Development (WSSD) was held. The Action Agenda of the WSSD states in its Paragraph 36,

"The universal primary education in all countries before the year 2015." Japan wants to contribute to this.

This time, Foreign Minister Ikeda will announce that Japan will provide assistance for education amounting to US\$100 million over the three years. Apart from that, Foreign Minister Ikeda will announce the acceptance of 3,000 trainees from Africa over the next three years. Foreign Minister Ikeda will announce that Japan will make available US\$2 million to the Japan-UN Development Programme (UNDP) Human Resources Development Fund for south-south cooperation on African development.

At the same time, Foreign Minister Ikeda will announce Japan's initiative on the eradication of the polio disease. Japan has already been taking initiatives in Asia, but as for implementation of the so-called national immunization days, this is the first time that Japan will take appropriate measures in this field, vis-a-vis South Africa. I would just like to remind you that when U.S. President William Clinton visited Japan recently, Prime Minister Ryutaro Hashimoto and President Clinton talked about the need to strengthen cooperation on the global agenda. And, under the Common Agenda, Japan and the United States have agreed to cooperate in this particular project — the initiative on the eradication of the polio disease to achieve health for all in Africa. This is what I have on Foreign Minister Ikeda's statement at the UNCTAD General Assembly.

B. Position of the Government of Japan regarding situations in the Republic of Paraguay

Spokesman Hiroshi Hashimoto: The Government of Japan highly appreciates that the domestic tensions in the Republic of Paraguay have been eased, and that constitutional democracy has been maintained. At the same time, it respects President Juan Carlos Wasmosy and the people of Paraguay who have endeavored to solve the difficult situation at this time. The Government of Japan has been extending assistance for democratization and economic reform in Latin America and will continue to support President Wasmosy who was elected democratically in Paraguay. Those are the announcements that I wanted to make, and I will be delighted to respond to any questions that you might have.

II. The Meeting between Minister for Foreign Affairs Yukihiko Ikeda and Secretary-General of the North Atlantic Treaty Organization (NATO) Javier Solana Madariaga

Q: I understand that Mr. Ikeda met with the Secretary-General of NATO. Could you elaborate on what has been discussed, particularly with respect to the follow-

ing interest in NATO about the Russian-Chinese declaration — the strategic alliance?

A: What I can tell you about the meeting between the two gentlemen is as follows. They talked about the efforts of both sides — Europe and Japan — for Bosnia and Herzegovina. They exchanged views thoroughly on this subject. Secondly, they talked about how to strengthen cooperation between NATO and Japan. And, the Japanese side extended an invitation to the Secretary-General to visit Japan, and he accepted. He said that early in 1997 will be an appropriate time for him. The Secretary-General explained to Foreign Minister Ikeda about some issues related to NATO, including Partners for Progress (PFP). He explained that friendly relations have been steadily developing between NATO and the former Warsaw Pact groups, and that, at the same time, NATO has been developing close relations with the Russian Federation. How to expand NATO is on the agenda. The members of NATO have been discussing the matter, but he predicted that this issue will not be solved this year. More specifically, he said that this issue would not be solved until 1997. I understand that they did not specifically talk about the issue related to the People's Republic of China.

Q: You have said they talked about how to strengthen cooperation between NATO and Japan. Could you elaborate?

A: Dialogue on the political level is one thing — and the Secretary-General is coming to Japan in 1997. Apart from that, we have the so-called senior officials-level consultations which took place in 1993 and 1995. In the past three instances, the private sector and the government sector jointly held seminars. That kind of dialogue is what they talked about on strengthening the relationship between NATO and Japan.

III. Japan-Russian Federation relations

Q: Recently, the Director-General of the Self Defense Forces [SDF] was in Moscow. Something has come out of that meeting which is very new in the mutual development between Japan and the former Soviet Russia. It was preceded by Yeltsin's or somebody's announcement that in the Northern Islands, Russia has reduced the number of forces there. Is it because of that that the two countries are getting together militarily, or is it because the Japan-U.S. security pact is going to change in Asia, and this necessitates Japan taking initiative in bilateral ways?

A: It is the first time for Japan's Defense Minister to visit Russia.

Q: You say Defense Minister?

A: Yes, Cabinet Minister in charge of the Defense Agency [DA]. It is the first time in the history of bilateral relations between Japan and Russia, and probably the former Soviet Union or former Czarist Russia. In any case, this is the first time. When you talk about the reduction of forces in the Northern Territories, when President Boris Yeltsin of the Russian Federation visited Japan and signed the Tokyo Declaration in 1993, he said that the Russian Federation will reduce troops in the Northern Territories, and that, eventually, the Russian Federation will withdraw all the troops. When Foreign Minister Ikeda visited Moscow last March, and when Prime Minister Hashimoto visited Moscow at the beginning of this month, President Yeltsin and Minister of Foreign Affairs E.M. Primakov of the Russian Federation told the Japanese side that they had already reduced the number of troops in the Northern Territories to 3,500. And, this time, it was also confirmed by Minister of Defense Army General Pavel Grachev of the Russian Federation.

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A: Dialogue on the political level is one thing — and the Secretary-General is coming to Japan in 1997. Apart from that, we have the so-called senior officials-level consultations which took place in 1993 and 1995. In the past three instances, the private sector and the government sector jointly held seminars. That kind of dialogue is what they talked about on strengthening the relationship between NATO and Japan.

III. Japan-Russian Federation relations

Q: Recently, the Director-General of the Self Defense Forces [SDF] was in Moscow. Something has come out of that meeting which is very new in the mutual development between Japan and the former Soviet Russia. It was preceded by Yeltsin's or somebody's announcement that in the Northern Islands, Russia has reduced the number of forces there. Is it because of that that the two countries are getting together militarily, or is it because the Japan-U.S. security pact is going to change in Asia, and this necessitates Japan taking initiative in bilateral ways?

A: It is the first time for Japan's Defense Minister to visit Russia.

Q: You say Defense Minister?

A: Yes, Cabinet Minister in charge of the Defense Agency [DA]. It is the first time in the history of bilateral relations between Japan and Russia, and probably the former Soviet Union or former Czarist Russia. In any case, this is the first time. When you talk about the reduction of forces in the Northern Territories, when President Boris Yeltsin of the Russian Federation visited Japan and signed the Tokyo Declaration in 1993, he said that the Russian Federation will reduce troops in the Northern Territories, and that, eventually, the Rus-

sian Federation will withdraw all the troops. When Foreign Minister Ikeda visited Moscow last March, and when Prime Minister Hashimoto visited Moscow at the beginning of this month, President Yeltsin and Minister of Foreign Affairs E.M. Primakov of the Russian Federation told the Japanese side that they had already reduced the number of troops in the Northern Territories to 3,500. And, this time, it was also confirmed by Minister of Defense Army General Pavel Grachev of the Russian Federation.

Q: What other impacts of this new development between Russia and Japan are there from the defense of the region perspective?

A: I had better explain, in the general sense, the importance of DA Director-General Hideo Usui's visit to Russia, because it is, in fact, important for both countries. When Foreign Minister Ikeda visited Moscow last March, both Japan and the Russian Federation reaffirmed to develop the bilateral relationship on the basis of the Tokyo Declaration which both signed in 1993. When Prime Minister Hashimoto met President Yeltsin, it was reaffirmed, too. When Foreign Minister Ikeda had talks with Foreign Minister Primakov in Moscow last March, Foreign Minister Ikeda proposed to hold this security dialogue at the ministerial level. Foreign Minister Primakov, at that time, accepted the invitation. When Prime Minister Hashimoto met President Yeltsin, both gentlemen also talked about this.

In fact, President Yeltsin, on the spot, accepted the formal proposal to hold this Conference. On the basis of this, Defense Minister Usui visited Russia this time. It is extremely important that, for the first time at the defense minister level, both countries talked about the need to develop the bilateral relationship steadily through fully normalizing the bilateral relationship on the basis of the settlement solution of the Northern Territorial issue, so that the two countries can contribute to peace and stability in the Asia-Pacific region.

In this sense, this visit is very important. At the same time, it is very important to deepen understanding and strengthen trust between the defense ministers between the two countries. Just very quickly, I would like to remind you that when President Yeltsin visited Japan in 1993 and signed the Tokyo Declaration, he said that the Prime Minister of Japan and the President of the Russian Federation are convinced that expanded political dialogue is a beneficial and effective means to promote Japan-Russia relations.

At the same time, the Declaration says that the Prime Minister of Japan and the President of the Russian Federation, based on their shared recognition of the need for promoting peace and stability in the Asia-Pacific

region, confirmed the importance of dialogue between the authorities of their two governments on a wide range of issues, including security, and agreed to further activate such exchanges. So, in 1993, Japan and Russia agreed to expand political and economic relations in a balanced way.

After that, the Government started to strengthen the security dialogue between the two countries. In 1994, then-Director General of the DA's Defense Bureau Murata visited Moscow and held security dialogue on the senior officials level. It was very successful. Now, on the basis of the reaffirmation of the Tokyo Declaration, we are very happy to note that this dialogue has been upgraded, and done at the ministerial level.

IV. Exchange of defense cooperation between Japan and the Russian Federation

Q: You went very much into chronological detail. I wanted to see the other side of this visit, because I saw on TV the Japanese DA's Director-General. He was shown around Russian-made military hardware. Is Japan, with its stringent defense budget, going to look for other markets, because the Russian hardware is very cheap I hear? Aside from that, are you going to do a similar visit to China also?

A: I do not think the Government of Japan is contemplating buying Russian arms, but the DA is now interested in exchanging defense cooperation between the two countries. But still, this is in the initial stages. Defense Minister Usui extended an invitation to Defense Minister General Grachev to visit Japan, and General Grachev accepted this invitation. That kind of exchange is very useful, but I do not think the DA is now contemplating to do the same with the Chinese Government.

V. Feasibility of Japanese purchase of Russian arms

Q: About the possibility that Japan may buy Russian weapons. Is it really possible that Japan could buy Russian weapons in the future?

A: I said that Japan's DA is not contemplating buying Russian weapons.

Q: Technically, is it possible, from the view of the MOFA?

A: Theoretically, yes. Technically, Japan can buy weapons from anywhere it wants. But, we have the Security Treaty with the United States, and our weapons systems have been developed based on the cooperation between the United States and Japan. So, to what extent Japan can buy arms from other countries is a question.

VI. Matters relating to Russian Federation military strength

Q: Has Mr. Usui pressed the Russian Defense Minister to make the Russian military doctrine and organization and numerical strength much more transparent, and how was the reaction from the Russian side?

A: Both gentlemen explained to their counterparts on their basic national security policy. Defense Minister Usui explained in detail the Japanese security issues. General Grachev himself explained to Defense Minister Usui in detail about the Russian defense policy. I will quickly tell you what he said. For example, Russia has reduced its troops in the Eastern part of Russia by 150,000, and the size of its Pacific fleet has been halved since 1985. He went on to say that the troops in the Northern Territories have been reduced to 3,500. General Grachev said that although Russia has not publicized the data on the Russian army, within the scope of the Organization for Security and Cooperation in Europe (OSCE) however, Russia is now exchanging information with European countries. He is optimistic about the possibility of strengthening transparency in the Asia-Pacific region. I think that is about all General Grachev said about military strength.

Q: Did Mr. Grachev say by when? I am talking about the possibility of increasing military transparency in the Asia-Pacific region. Did he say about what time?

A: No. But, he talked about the policy of the Russian Federation on the Asia-Pacific region. He pointed out five subjects. One, that countries over there should try to decrease military levels, including the reduction of conventional arms. Two, to strengthen non-proliferation regimes, including the establishment of regional nuclear-free zones. Third, that countries concerned should try to get rid of possible tension through political dialogue. Fourth, the possibility of building confidence in the military field. Fifth, to establish a consultation mechanism which all the countries in the region can accept. But, he did not talk about a timetable.

VII. Matters relating to possible talks on the normalization of relations between Japan and North Korea

Q: Last Sunday, there was a report in Korea that a Japanese businessman visited North Korea with an official of the Japan Ministry of Foreign Affairs. Can you confirm this?

A: I am sorry, I am not aware of such a report. Did you say that the report was —?

Q: In The Joong-Ang Daily News, one of the Korean newspapers.

A: It said that Ministry of Foreign Affairs officials prepared?

Q: The article said that a well-known Japanese businessman visited North Korea and one of the officials of the Japan Ministry of Foreign Affairs accompanied the businessman.

A: I am terribly sorry, but I am not aware of the article. The article was published today?

Q: Last Sunday?

A: Last Sunday. I will have to check on this.

Q: There was a report in May that Mr. Li Jong Hyoke will visit Japan. He will meet with the Socialist Democratic Party [SDP]. I want to know if Mr. Li will meet Foreign Ministry officials.

A: Yes, MOFA has heard of the information you have just touched upon. However, we understand that the coalition parties have not yet decided to accept him. In any case, the Government of Japan is not involved in this, so MOFA does not know whether North Korean Official Li Jong Hyoke will be coming now.

Q: Do you have any plan to meet Mr. Li?

A: First of all, we do not know whether he will be coming. In this sense, I would like to say that the Japan Liberal Democratic Party [LDP] and the coalition parties themselves think that the talks on the normalization of relations between Japan and North Korea should be conducted on the governmental level through diplomatic channels. But, we understand that Mr. Li, supposing he is coming to Japan, is not coming by the invitation of the Government of Japan. Although we cannot tell you when and how, already the Government of Japan has established contact with the North Korean authorities regarding talks on normalization of relations between the two countries.

VIII. Possible North Korean involvement in the Asian Development Bank

Q: There have been some reports in Seoul that the ROK Government has decided to endorse the North Korean application to join the Asian Development Bank [ADB]. If North Korea submits its application again, what will the Japanese Government's stand be on this?

A: There have been some reports about the ROK's measures toward North Korea. Japan is not in a position to make a comment on the individual case. However, we would just like to repeat that we highly appreciate and directly support the proposal for the four-party conference on peace on the Korean Peninsula. And, we sincerely hope that North Korea will accept the idea and directly talk to the relevant countries on the various issues.

Q: Are you saying that if North Korea accepts this four-country consultation, then Japan may support North Korea's joining the ADB?

A: This is a completely separate issue. Once again, Japan is not in a position to make a comment on the individual policies which the ROK Government is seemingly now floating, because this is an intermediary report. We are not fully informed of what the intention is of the ROK Government.

Q: Then, are you saying that the Government of Japan is neutral, at this moment at least, about the possible participation by North Korea in the ADB?

A: If you talk specifically about the participation of North Korea in the ADB, then I am sorry, but I do not know the answer.

IX. Matters relating to Japan and the Union of Myanmar

Q: Similarly, there has been a surge of economic and business relationships with Myanmar until their leader Aung Suu Kyi has protested to Japanese activities there. Is Japan changing its until now, because of the dual right problem — democratization — Japan was not openly going in there. Has the policy changed?

A: The Government of Japan has been maintaining dialogue with Opposition Leader Aung San Suu Kyi of the Union of Myanmar. Until the democratization issue is fully solved, the Government of Japan is not in a position to extend full-scale economic assistance to Myanmar. In this sense, our policy toward Myanmar has not changed. However, since Opposition Leader Aung San Suu Kyi was released, and is now engaging in political activities, the Government of Japan is studying the possibility of extending aid on a case-by-case basis. But, I do not think that the Government of Japan has decided to extend new aid to Myanmar.

Q: On the economic activities by Japanese companies, anyone can take the data and show that it has increased recently, very much.

A: Are you talking about the pure commercial relationship?

Q: The pure commercial, yes.

A: As far as pure commercial business activities are concerned, they are free to do so. The Government of Japan has not imposed any restrictions on Japanese private companies to engage in business relations with Myanmar.

Q: This pure commercial thing, when has it become loose or open and free from the Japanese Government's policy?

A: We have never imposed restrictions. In any case, if you talk about the pure commercial relationship, although the potential can be high in the future, because of the difficult situations in Myanmar, I do not think that many Japanese companies up until now have enjoyed a close business relationship with Myanmar. Thank you very much.

Japan: Article Discusses Security Dialogue With Russia

OW0205060996 Tokyo SANKEI SHIMBUN
in Japanese 30 Apr 96 Morning Edition p 1

[FBIS Translated Text] An agreement on 29 April between Defense Agency [DA] Director General Hideo Usui Russian Defense Minister Grachev to promote security dialogue serves as a pointer to Japan's shift in conventional defense policy from attaching importance to the "north" — the policies adopted to deal with the threat from former Soviet forces in the Cold-War era — to policies placing emphasis on the "west," taking the situation on the Korean peninsula into account, and China's military modernization.

As far as Russia's defense policies are concerned, "the whole picture of Russia's defense policy has not come to light yet" (according to a defense white paper). However, despite the agreement, the possibility of Russia disclosing its defense policies is slim. Meanwhile, according to a government source, it is also the case that the plan to promote dialogue is "at the point where are creating a framework for exchange."

Both Japan and Russia see the agreement as part of a security policy for regional stability called a multilateral "Confidence and Safety-Building Measure" (CSBM) — accords that have become the trend since the end of the Cold War, and aim to prevent disputes resulting from accidental military confrontation.

With (then) DA Director General Seishiro Eto's visit to South Korea last September as a start, the DA has promoted its exchange with East Asian nations, including the dispatch of the Defense Policy Bureau chief to China in January. It can be said that the agreement to promote security dialogue with Russia is a necessary measure in moves to organize defense capabilities that emphasize the "west," including China and North Korea.

At present, Russian is reorganizing its military in line with the "major rules of Russian Federation military doctrine," but the details have not been disclosed. In promoting security dialogue, the Japanese Government, for its part, will have to attach particular importance to provision — which is specified in the agreement — for "mutual notification of large-scale exercises,

exchanges of information on the Self-Defense Forces and the Russian Federation Armed Forces and on the fundamental principles of defense policy." The last time DA researchers and senior officials approached Russia, their requests for the disclosure of information about the reorganization of Russian forces and the extent to which equipment cutbacks are being made were refused. The DA made the request with the aim of "improving the transparency of Russian troops in the Far East." Nevertheless, Russia has adopted a stand of rejecting Japan's call for the early withdrawal of Russian troops from the northern territorial islands.

As a result, said a senior DA official: "We first have to continue a human exchange in an honest way." He warned that Japan should not have too high an expectation of the possibility of drastic progress in security dialogue.

Japan: Editorial Views Defense Talks With Russia

OW0205125496 Tokyo YOMIURI SHIMBUN
in Japanese 1 May 96 Morning Edition p 3

[Unattributed editorial: "Japan-Russia Defense Exchanges Will Help Strengthen Security Alliance With U.S."]

[FBIS Translated Text] During the recent talks between Japanese Defense Agency head Hideo Usui and his Russian counterpart Pavel Grachev in Moscow, the two nations agreed to promote defense exchanges and security dialogue.

The Usui-Grachev meeting was the first-ever top-level defense talks between Japan and Russia. Such a meeting did not take place even during the former Soviet Union era. The meeting should be given high appraisal because it laid the groundwork for peace and stability in the Asia-Pacific region, where there are still many unstable factors even after the end of the Cold War.

The document issued during the talks says the two nations have agreed on 13 specific measures to promote security ties, such as the exchange of information on the defense policies of the Self-Defense Forces and the Russian military and on their equipment, exchange visits by naval ships, and prior notification to each other of plans for large-scale military drills. They have also agreed to carry out joint communications exercises aimed at preventing accidents at sea and student exchanges.

The agreement will help establish relations of trust between the two nations.

However, it does not warrant optimism.

Japan and Russia have not yet solved their dispute over the northern territories. Moscow maintains its policy of rejecting the return of the disputed islands to Japan. In addition, the fact that the former Soviet Union continued to be a "potential threat" to Japan during the Cold War era makes it more difficult to improve bilateral relations.

Also, the operations of Russia's military forces in the Far East are not clear. Some people doubt that Moscow will change its traditional policy and give Japan information on its defense plans, or deploy its troops in a manner that satisfies Japan.

Although Russia has decreased the number of troops deployed in the four disputed islands to 3,500, it has not indicated any plan for a total withdrawal of the troops. Japan has demanded the complete withdrawal, saying: "It will have positive effects on relations between the two countries."

Moreover, depending on the outcome of the presidential election in June, Russian political circles may undergo drastic changes and become incapable of fulfilling the agreement with Japan.

We hope Moscow will make sincere efforts to fulfill the accord. Tenacious efforts will be needed to carry out exchanges of information and people at various levels. Such efforts will eventually remove obstacles to better relations between the two countries.

Japan has already established forums for security talks with ministers and uniformed officers of the ROK, PRC, and Southeast Asian nations.

With the recent agreement with Russia, Japan has almost completed its task of creating a framework for dialogue with its neighbors, except for the DPRK.

However, we should not forget that Japan's alliance with the United States, based on the bilateral security pact, remains the cornerstone of Japan's security.

During the recent Japan-U.S. summit, the two nations reconfirmed that the Japan-U.S. security system "is essential for maintaining stability and prosperity in the Asia-Pacific region."

Therefore, it can be said that the framework for defense exchanges and security dialogue between Japan and its neighbors will function as a complement to a "device for maintaining stability in the Asia-Pacific region," which the Japan-U.S. security system aims to be.

Promoting relations of trust through defense dialogue and exchanges is imperative to ensure the "reconfirmation of the Japan-U.S. security alliance."

Japan: MITI Considers Limiting Cotton Fabric Imports From PRC

*OW3004131696 Tokyo KYODO in English
1250 GMT 30 Apr 96*

[FBIS Transcribed Text] Tokyo, April 30 KYODO — The Japanese trade ministry has told China that Japan may limit cotton fabric imports from the country around this summer if the inflow continues to rise at the present pace, ministry officials said Tuesday [30 April].

Ministry of International Trade and Industry (MITI) officials said the warning under a safeguard system was served to China after imports of cotton fabrics, mainly poplin and broadcloth used for the manufacture of shirts, soared in recent days.

The ministry conducted a survey on Chinese imports in response to an appeal from the Japanese spinning industry in February 1995, but drew back from limiting the imports in November as the inflow declined.

The officials said the ministry has completed an investigation on damage caused by Chinese cotton fabric imports to domestic industry and is ready to impose import curbs whenever necessary.

They said imports of Chinese-made poplin and broadcloth, which account for about 80 percent of Japan's total cotton fabrics imports, began to increase last fall, reaching a monthly average of 20 million square meters between October and February.

They said imports from China in 1996 are expected to top a record of 220 million sq. meters set in 1993 if no action is taken.

Domestic output of poplin and broadcloth totaled 190 million sq. meters in 1995.

Safeguard against textile imports is a step allowed under the World Trade Organization.

Tokyo, Beijing Exchange Document on Nuclear Power Cooperation

*OW0205054196 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 30 Apr 96 Morning Edition p 2*

[FBIS Translated Text] On 29 April, Japan and China exchanged documents on expanding the cooperative fields stipulated in the Sino-Japanese Nuclear Power Cooperation Agreement and on revising the annexed papers. Japan intends to export the primary cooling pumps as well as graphite (of high purity) of the nuclear furnace class to China for use at nuclear power stations. To facilitate this export, an item concerning "various problems in designing, building, and operating high-temperature gas furnaces and also in ensuring safety"

will be added to the fields for cooperation as stated in the agreement. At the same time, the primary cooling pump has been added as an item applicable to this agreement.

Japan: PRC, French Ships Said Exploring Sea Near Okinawa

*OW0205113696 Tokyo KYODO in English
1012 GMT 2 May 96*

[FBIS Transcribed Text] Tokyo, May 2 KYODO — Chinese and French ships have been conducting research without Japanese permission since late last month in the East China Sea near the southernmost prefecture of Okinawa, the Maritime Safety Agency said Thursday [2 May].

Five Chinese ships and a French vessel conducted sonar explorations of the seabed in the East China Sea from April 24 to 29, the agency said.

Japan's position, based on customary international law, is that any country conducting research in the area must first secure permission from the Japanese Government before starting operations.

The Foreign Ministry said it has contacted both nations about the matter through regular diplomatic channels. As a result, the French ship sailed west to withdraw from the area Wednesday.

The L'Atalante is probably the first French vessel to conduct research without permission in the area. Its purpose is still unknown, the agency said.

The Chinese Government said it has informed relevant agencies about the matter, but as of Thursday, the Japanese Maritime Agency is closely watching the activities of the five Chinese ships which have not stopped their sonar research.

In February this year, Chinese oil exploration ships were reported to have conducted an investigation of the seabed near the Senkaku Islands, also claimed by China. The Japanese-controlled islands are the focus of a territorial dispute among Japan, China and Taiwan.

Japan: Shinshinto's Ozawa Leaves for 11-Day Visit to PRC

*OW020514796 Tokyo KYODO in English
0235 GMT 2 May 96*

[FBIS Transcribed Text] Tokyo, May 2 KYODO — The chief of the main opposition party Shinshinto (New Frontier Party), Ichiro Ozawa, left Tokyo on Thursday [2 May] for Beijing on an 11-day visit to China.

Ozawa is visiting China at the invitation of the Chinese Communist Party and his visit is the first overseas trip since he took the post last December.

During his stay in Beijing until Monday he will meet President Jiang Zemin, Defense Minister Chi Haotian and other leaders.

He will then visit Chongqing and Shanghai before returning home May 12.

Japan: Ikeda Pledges Aid to Africa for Human Resources Development

*OW3004144996 Tokyo KYODO in English
1400 GMT 30 Apr 96*

[FBIS Transcribed Text] Johannesburg, April 30 KYODO — Foreign Minister Yukihiko Ikeda pledged Tuesday [30 April] that Japan will assist education and training of people in Africa for faster economic development in the continent.

In a speech delivered at the ninth general session of the United Nations Conference on Trade and Development (UNCTAD), Ikeda said Japan will provide 100 million dollars in three years and accept 3,000 African trainees during the same period for technical training courses in Japan.

The assistance is designed to meet specific needs of African countries for their development in a "new partnership" between industrialized countries and developing countries, Ikeda said.

In order for the U.N. body to fulfill its role, he said, "it is crucial to focus its activities on the issues of greatest concern to developing countries, namely, adaptation to economic globalization and liberalization."

"Japan is prepared to intensify its cooperation with UNCTAD so that it can prioritize its activities and make more concrete contributions in line with the ongoing globalization of the international economy."

Ikeda proposed that Japan hold a second meeting of the Tokyo Conference on African Development in Tokyo in 1998.

The conference should review the progress made since the first Tokyo conference held in October 1993 and generate momentum for solving developmental issues in African countries, Ikeda said.

The foreign minister also termed the UNCTAD reforms as a "test case" for overall U.N. reforms, and called for an agreement during the current assembly on a reform program "for the sake of revitalizing the U.N. system as a whole."

Ikeda stressed the importance of siphoning part of the funds generated by the reforms to reinvest into "activities such as technical cooperation that will truly benefit developing countries."

Japan is willing to play an active role in helping the U.N. organization promote so-called south-south cooperation relating to trade and investments, Ikeda said, stressing that UNCTAD should give priority to promoting such cooperation.

As goals for Africa's economic development, Ikeda cited a significant reduction in the number of people in poverty, universal primary education, lowering of infant fatality rates and cuts in the death rate among women during and after pregnancy.

Tokyo Decides To Offer Emergency Aid for Mongolian Fire Victims

OW0205012096 Tokyo KYODO in English
0025 GMT 2 May 96

[FBIS Transcribed Text] Tokyo, May 2 KYODO — The government decided Thursday [2 May] to provide emergency aid worth \$100,000 for victims of a massive fire still raging in Mongolia, government officials said.

The aid includes fire extinguishing equipment and food for victims.

A huge fire in northeast Mongolia has killed 13 people and destroyed more than 130 homes.

Nearly one-fourth of Mongolia's forests have been destroyed and more than 5,000 head of livestock killed by the fire that has swept the Mongolian steppe since April 10, the Mongolian Government said.

The Mongolian Government has called for international help to fight the fire.

Japan: MOF Says Forex Reserves Up \$1.774 Billion

OW0105095596 Tokyo KYODO in English
0856 GMT 1 May 96

[FBIS Transcribed Text] Tokyo, May 1 KYODO — Japan's foreign exchange reserves rose \$1,774 million in April to \$205,725 million, making them the highest in the world for the 15th consecutive month, the Ministry of Finance [MOF] said Wednesday [1 May].

The figure eclipsed the previous global high of \$203,951 million in March, the ministry said.

The April reserves set a national record for the 26th straight month, and extended their rising streak to a 30th month, it said.

The foreign exchange reserves consist of convertible foreign currency, gold and International Monetary Fund (IMF) special drawing rights.

As a matter of policy, the ministry does not detail changes in Japan's foreign exchange reserves.

The moderate rise in April is believed to have resulted from there having been no currency market intervention by the bank of Japan to buy dollars for yen to support the U.S. currency.

For most of April, the dollar moved stably against the yen, although it came under strong selling pressure at the end of April on growing speculation that the Japanese central bank may change its easy monetary stance in the near future.

In Tokyo, the dollar started April trading at levels around 107.50 yen and hit a high for the month of 109.00 yen in mid-April.

At the end of April, however, the dollar dropped sharply on the speculation about Japan's monetary policy and finished April trading in the lower end of the 104 yen level after slipping to a low for the month of 104.05 yen.

According to the ministry, Japan was the world's largest holder of foreign exchange reserves for the 30th consecutive month in February.

As of the end of February, Japan held \$199.9 billion in reserves, followed by Taiwan with \$90.3 billion and Germany with \$90 billion.

The United States came fourth with \$85 billion, while China ranked fifth at \$76 billion.

Comparisons were made using the latest available data for each country. The data for Taiwan and the U.S. were for January, while the figure for China was for December.

Japan: Government Posts Net Payments of 4.143 Trillion Yen

OW0105084596 Tokyo KYODO in English
0809 GMT 1 May 96

[FBIS Transcribed Text] Tokyo, May 1 KYODO — The Japanese Government posted net payments of 4,143.6 billion yen in its fiscal fund transactions with the private sector in April, the Finance Ministry said Wednesday [1 May].

This compares with net payments of 3,262.5 billion yen a year earlier.

A ministry official said April's net payments were attributable to a rise in expenditures related to public works projects and increased payments at the ministry's Trust Fund Bureau, the special account managing postal savings, insurance and other funds.

The ministry said the general account registered net payments of 4,456.6 billion yen, compared with net payments of 3,373.1 billion yen a year before.

General account income totaled 5,531.2 billion yen, up from the year-earlier level of 5,448.9 billion yen, while general account expenditure amounted to 9,987.8 billion yen, up from 8,822 billion yen, it said.

Of general account spending, public works-related expenditures rose from 1,441.4 billion yen to 1,925.3 billion yen.

The government's special accounts, meanwhile, posted net payments of 3,165.6 billion yen, up from net payments of 1,133.9 billion yen a year before, the ministry said.

Among the special accounts, the Trust Fund Bureau marked net payments of 917.2 billion yen, a turnaround from net receipts of 480.4 billion yen, it said.

For May, the ministry projects net payments of 390 billion yen, against net receipts of 2,778.4 billion yen a year earlier, due mainly to an increase in payments at the Trust Fund Bureau.

Japan: 'Sources' Say Government Wants To Dispose JNR Debts in Budget

OW0105123196 Tokyo KYODO in English
1142 GMT 1 May 96

[FBIS Transcribed Text] Tokyo, May 1 KYODO — The government wants to come up with ways to dispose of some 20 trillion yen in long-term debts held by JNR Settlement Corp. when it compiles the fiscal 1997 budget, government sources said Wednesday [1 May].

They said there are basically three measures the government is currently considering — using deficit-financing bonds as a repayment resource, simple deferment of the debt payments, and raising the fares of Japan Railway (JR) companies to create repayment funds.

Substantial debates will start this summer when government ministries and agencies work out their budget requests for the next fiscal year, the sources added.

The debts are part of 37.1 trillion yen in long-term debts left by the now-defunct Japanese National Railways (JNR) when it was privatized and split into seven JR companies in 1987.

JNR Settlement Corp. took over 25.5 trillion yen of the total debts while the rest were covered by some of the JR companies.

The corporation has paid back a total of 10.6 trillion yen by selling off land and JR East stock. On the other hand, its interest payments have increased by 13 trillion yen, bringing its total debts up to 28 trillion yen in fiscal 1997, the sources said.

They said JNR Settlement Corp. will have no way to repay 20 trillion yen of the 28 trillion yen, because its original plan to repay the debts by selling JNR landholdings has stalled due to the ongoing decline in land prices.

Of the three ideas, the sources said, deferment of payments is a simple postponement of the problem which will only lead to a further accumulation of interest payments.

Issuing deficit-covering bonds is no solution either, because it means "switching debts from one pocket to another," a Finance Ministry official said.

The idea of raising JR fares will invite strong opposition from the public, especially in view of the planned hike in the 3 percent consumption tax to 5 percent next April, the sources said.

In view of the next general election for the House of Representatives, the ruling coalition would be nervous about taxpayer opposition to any such fare hikes, they said.

Japan: Hashimoto Begins 4-Day Holiday at Niigata Resort

OW0205081796 Tokyo KYODO in English
0753 GMT 2 May 96

[FBIS Transcribed Text] Tokyo, May 2 KYODO — Prime Minister Ryutaro Hashimoto left his official residence in Tokyo on Thursday [2 May] afternoon for a hot spa resort in Yuzawa, Niigata Prefecture, along the Sea of Japan coast, on a four-day vacation.

Hashimoto plans to spend time on hobbies — photography and playing golf — but will also brush up on topics such as foreign policy, security and the graying of Japanese society with the help of several scholars, his aides said.

The prime minister could not follow his predecessors in traveling abroad during the "golden week" holidays from late April through early May because of delayed Diet deliberations on the 75.1 trillion yen budget for fiscal 1996 that started April 1.

Japan: Ozawa Says Politicians Must Show Clear Vision

962B0047A Tokyo USHIO in Japanese Mar 96
pp 134-143

[Ichiro Ozawa interviewed by Eiji Oshita, writer: "Politicians Must Show Clear Vision and Write Ways To Achieving It"]

[FBIS Translated Text]

[Oshita] When did you decide to run for the NFP [New Frontier Party] presidency? I get the impression that you weren't planning on doing that at the outset.

[Ozawa] You're right. I had absolutely no intention of waiting to see what happened, and then throwing my hat in the ring, for whatever reason. If you're a party president, there's a chance that you might become prime minister, and that is not my objective.

What's wrong with politics today is that every politician's platform is motivated by self-interest. The ones who want to become a cabinet minister, well, that's their goal. But the most important question when you become head of a party, or when you've become prime minister, and you're forming a cabinet, is what do you want to do for the people of Japan? What are you going to do for the people of Japan?

We've never had an election for LDP [Liberal Democratic Party] president, or for anything else, for that matter, where principles or policies were at issue. That was all right during the days of the old Cold War system, but it won't work now. Politicians must demonstrate their visions for the future, and they must do that clearly. That has always been my position. And if even a tiny bit of progress could be made in that direction, I thought it would be meaningful for me to make whatever contribution I can, even if that meant running for party president.

Up until then, I had believed that even my fellow party members objected to my acerbic, proreform arguments. At least I didn't think they had been completely accepted. That being the case, I knew we couldn't make real reforms. And if we couldn't, there wasn't any point in my becoming party president. I didn't think my colleagues were ready for my ideas, so I had no desire for the position.

At the final stage, I said, "If you really want me to run, then here are my views. Can you accept them?" I thought that the majority of my colleagues would say no, they couldn't accept. But everyone said, "That's fine. Now we can work together as a unit."

I was surprised but, at the same time, I knew real progress had been made when nearly half of the party members accepted my ideas and said, "Let's work together." I also realized that public attention would be drawn to the election, and figured that if I had a chance to talk to a lot of people, that would be the first step toward reforms. That's why I decided to run.

[Oshita] When I asked an NFP official why he was backing Tsutomu Hata, he told me that in the next general election, neither the NFP nor the LDP would

gain a majority, so there would have to be another coalition government. If, at that point, Ichiro Ozawa was the president of the NFP, both the SDPJ [Social Democratic Party of Japan] and Sakigake would refuse to participate in a coalition government with the NFP, and the NFP would be left out in the cold. So, to prevent that from happening, the NFP's strategy would be to ask you to assume a low profile, even to resign from your position as secretary general and, instead, to concentrate on election matters.

[Ozawa] That's what I meant when I mentioned self-interest.

If we don't team up with the SDPJ and Sakigake, then we can't take up the reins of government. Since we want to govern, we don't talk about what we want to accomplish. We don't assert our principles or policies. We want to govern, so we compromise so that we can be part of the ruling coalition. That's the same position that the LDP, the SDPJ, and Sakigake have adopted, and it's motivated by self-interest. That's the same kind of argument that makes people want to enter into conspiratorial relationships or to rig bids. They want to be in control of the government. But why?

[Oshita] Then they have no business criticizing the current ruling coalition, do they?

[Ozawa] No, they don't. If they're willing to do anything to be part of the government, then the debate is being conducted on a completely different dimension.

If the NFP is willing to abandon its policies and to avoid speaking out, then there's no point in having an NFP. Why did we form the NFP? We formed it to encourage reforms and responsible politics. If all we want to do is govern, then what happened to our objectives? If we're willing to do anything to govern, then we might as well all go over to the LDP, the SDPJ, or Sakigake.

More importantly, even if they all want reforms and responsible politics, they know full well that bold statements won't win them any fans at election time. They can't say anything that might incur opposition from the voters. Or at least that's what I thought the situation was. But I was surprised to learn that there are many people who are willing to speak their minds and to work together in earnest toward our goals.

This change led me to believe that the NFP will now have a clearer, stronger voice, and that we can unite in appealing to the public with our ideas.

Trump Cards — Energy, Forcefulness, and Enthusiasm [Oshita] I suppose that everyone

agreed to your proposals because of the realization that what is being done now doesn't work.

[Ozawa] I think everyone's gradually becoming aware of the current situation, and of the fact that we're in a different age now.

[Oshita] You've been saying that for a long time. You've also been saying that no one understands what you're talking about. Now they've begun to understand.

[Ozawa] That makes me very happy. It has nothing to do with winning or losing.

[Oshita] But when you decided to enter the fray, you thought you'd win.

[Ozawa] No, winning a contest like this hinges on energy, forcefulness, and enthusiasm.

Everybody says I'm an expert on elections, and that I know how to win, but there's no sure-fire technique for winning elections. Everything hinges on motivation — whether you can motivate people, or if they can motivate themselves. That's what separates the winners from the losers. Now that everyone has crossed the line, that means that they're serious. If you're serious, you'll win.

But the idea of losing didn't bother me. I'd have gotten even more media exposure.... I have no particular dislike for the media. I'll talk to them anytime if they're willing to engage in a serious debate. Fortunately, since this is an election, the television networks and newspapers can't mold their coverage to their own prejudices. Previously, they all made their coverage conform to their own scenarios. But this time they covered my proposals objectively, so it was an excellent opportunity. That's why I agreed to speak to them, and to make appearances, and it was a good experience.

[Oshita] The more you appear on television, the more popular you become. In the past, your television appearances were rather infrequent. But now there you are, stating your views. To me, your explanations are logical, comprehensive, and accessible. Previously, people thought that you were a behind-the-scenes manipulator, and they didn't know what your views were. But your speeches are very easy to understand, and I'll bet that many of those who've seen you on television agree with me.

[Ozawa] Aha! You say that when I appear on television, the ratings go up. I think the truth is that not many people were interested in hearing what I had to say. More of them are interested now because of the election.

But I do think that more people are talking about what I have to say. I don't care if the reaction is "the guy's

really blunt, but he's entertaining" or "I can't agree with him."

Revitalizing the Economy

[Oshita] Were you considering postponing any increase in the consumption tax for five years, and then, after 10 years, raising it to 10 percent? Or ...

[Ozawa] Before the last election, my book, *Blueprint for Building a New Japan*, came out. I wasn't being irresponsible when I proposed a 10-percent tax. If we're going to revise the direct-to-indirect tax ratio based on current conditions, then we should have a 50-50 ratio, meaning a 10-percent indirect tax.

The Imperial General Headquarters Communique [this is a reference to the World War II entity that issued fictitious reports, e.g., that the Japanese had won the Battle of Midway. Ozawa is probably referring to an MOF pronouncement] would have us believe that economic conditions are improving, but they aren't. The structural fundamentals of the Japanese economy haven't changed a bit. The big corporations are still making money because they've downsized. That's all that's changed. The unemployment rate is the highest it's ever been.

Normally, if we were correcting only the direct-to-indirect tax ratio, we'd have to be correcting both types of taxes simultaneously. But we can't do that now. What I proposed is the need to make investments in the future — creating new industries, developing technology, and abolishing or easing regulations. These are investments in the future. Our first assignment is to revitalize the economy by cutting taxes, investing in the future, and making structural reforms. When those reforms get off the ground, then we can ask the public to bear some of the burden.

[Oshita] The LDP is saying that your suggestions are irresponsible, that they're impossible to implement. The party also claims that the national debt will increase too much — the balance, at its peak, will be 350 trillion yen in 2005, or 55 percent of the GNP — and that the consequences will be terrible.

[Ozawa] The LDP blasts my proposals, but what's going to happen if their policies stay in effect for another 10 years? The economy won't recover at all, there won't be any tax cuts, unemployment will rise, while our population continues to age. They haven't done anything, but they've borrowed 21 trillion yen this year. If this keeps up for 10 more years, they'll have borrowed 210 trillion yen. The economy will still be in bad shape, and expenses will increase, so they'll be borrowing more and more.

If, as I proposed, we reduce taxes by 15-16 trillion yen, and make investments in the future to the tune of, say, 20 trillion yen, the amount we have to borrow won't be that much different. We'll have made tax cuts, and investments in the future. All things considered, we'll have made structural reforms and revitalized the economy.

If we don't take measures like that, it's not a gradual decline that we'll be seeing, but absolute ruin. So, we have to try and see if we can do something, over the next 10 years, to weather the crisis. The other choice is to do nothing and sink further into the quicksand. Will we dare to take risks?

I ask those who reject my proposals, "What are your ideas? You don't have any, right?" That's what makes present-day politics so impoverished. That's where the obstructions are. Politicians aren't assertive, they don't write prescriptions, and they don't express their "visions." They are forever spouting whitewash, and only whitewash. Look at "politics that is kind to people" [a slogan used during the Murayama administration]. What's kind about letting a recession go on for so long?

Assault on the New Hashimoto Administration

[Oshita] My view is that one reason why Tomiichi Murayama bowed out of the government is that you became head of the NFP. What do you think about that?

[Ozawa] I don't think there was any direct connection. I think the bottom line was that the three governing parties didn't want to let go of the reins. They wanted to avoid having to take responsibility for what they had wrought. That's all there was to it. If they'd kept on doing what they were doing, the government would have collapsed anyway.

[Oshita] But if you hadn't been at the helm of the NFP, they could have relaxed for a little while longer.

[Ozawa] I wonder....

[Oshita] At least, that's what I think. Now Ryutaro Hashimoto is the prime minister. Which of them is the easier target?

[Ozawa] If Murayama and Masayoshi Takemura were still around, it would definitely be easier for us. I imagine that that's why they retreated. Both the prime minister and the finance minister, who drafted the budget, have disappeared, which means that they've abandoned their responsibilities.

I think it's really strange that they should be allowed to do this. Next time the Diet is dissolved, it will be during Hashimoto's reign. If they were resigning for that reason, it would make sense. But allowing them to

do what they did means that parliamentary democracy has ceased to function. Lack of confidence in politics is on the rise.

We have a new prime minister, but nothing's changed. Look at the way they're handling the "jusen" [housing loan company] problem. The three-party coalition remains firmly in place, and we continue to see violations of public promises and collusion. Old-style politics is still alive and well, as we can see from the way the "jusen" problem is being dealt with. They're still sweeping the dirt under the rug.

If Hashimoto can cast off the old system and, as the head of the LDP, make great strides in opening up new frontiers, then I have no complaint. But if he doesn't, then nothing will change.

[Oshita] Are you opposed to public funding? I'm referring to 685 billion yen's worth. Or rather, do you think it's a reasonable thing to do?

[Ozawa] I'm pretty sure that all this is a result of their not being able to come up with any other idea. I'm not opposed to it simply because the result is having the government bear the burden.

But if tax money is going to be used, then the facts have to be made clear. They have to reveal the names of the borrowers and of those who were responsible for this fiasco. They have to do this in a way that is acceptable to the public. They can't revert to their old habits — they can't sweep the dirt under the rug anymore.

[Oshita] What will the NFP's approach be?

[Ozawa] First, getting the facts laid out. Since Wataru Kubo, the new finance minister, has declared that he'll reveal the facts in detail and find out where the responsibility lies, that will take place at Diet sessions. For instance, there are rumors that organized crime is involved. Those rumors should be investigated, and the results of the investigation made public. That way we'll know if financing was done properly. We'll also know whether attempts have been made to execute debts and credits properly.

[Oshita] If the ruling coalition conducts a half-baked investigation, will you launch a more hardhitting attack?

[Ozawa] You bet I will. I'll find out which companies obtained financing, and what kind of companies they are. I'll go all out.

[Oshita] How will that be connected with the dissolution of the Diet?

[Ozawa] I won't know until I see what happens. If they can pinpoint the responsibility for the "jusen" problem,

then they'll try to get the budget through the Diet. If they succeed, then that would probably be a good time for dissolving the Diet.

[Oshita] They'll resist, you know.

[Ozawa] That's the problem with the three-party coalition. They're just doing things the way they've always done them, and can't emerge from the morass. Hashimoto's going to have a rough time. But I'm hoping he'll do it.

[Oshita] And there's Seiroku Kajiyama, who's now chief cabinet secretary. Do you find him intimidating?

[Ozawa] Well, he can't be ignored. But I respect him because he's sensible. It's the ones who aren't who are hard to handle.

[Oshita] Why in the world did Kubo accept that position? Nobody in the LDP would touch it. But the LDP "invites" Kubo, an SDPJ right winger, someone who could become the vanguard of an anti-LDP movement at any moment, to join the cabinet. They figured they could use him as their shield in the "jusen" problem. That way Kubo's hands will be tied. He won't be able to do anything about forming a "new" SDPJ, nor will he be able to pursue his anti-LDP activities. Led by Murayama, the SDPJ will continue to promote the interests of the LDP. They were looking to kill two birds with one stone. Putting their chances of succeeding aside, what do you think of Kubo's appointment?

[Ozawa] It's not a matter of the SDPJ's accepting the post. It's not even a matter of Kubo and what he's all about. I think it's pathetic that there was no one in the LDP who was willing to accept it (especially now, when the position is so much in the spotlight) and face the challenges it presents.

The LDP should have the wherewithal to accept the post, and to boldly face those challenges. Forget about talent and things like that. They shouldn't have yielded it to the SDPJ.

The Solitary Crusader

[Oshita] I have another question. When the "jusen" problem is settled, there's the question of Daisaku Ikeda (honorary chairman of the Soka Gakkai), which has again reared its ugly head. What are your thoughts on that?

[Ozawa] This is a conspiracy. Politicians and other authorities absolutely have to avoid sticking their noses into people's minds — violating their basic human rights, to use a legal term. Something like that is tantamount to suicide for democracy.

Suppose we win in the next election. Are we going to browbeat everyone who badmouthed the NFP, everyone who supported the LDP? (Laughter) If we did that, we'd be conducting a reign of terror. Again, it would be suicide for democracy. This is the one thing that the majority must not do, because it violates freedom of religion, freedom of speech, and freedom of the press.

This has nothing to do with whether or not I like the Soka Gakkai, whether or not I like Ikeda, whether or not I think he's good or bad.

So, even if I'm the only one — I'm not saying this because the subject is the Soka Gakkai — this is something that you just can't do. Even if I'm the only one who thinks this way, I won't allow it to happen. And my opinion isn't going to change.

This talk about amending the Religious Corporation Act is the worst of its kind I've ever heard. I think it's amazing that the bureaucrats had the gall to propose it. Legally, it's totally irresponsible.

[Oshita] In that case, shouldn't you have been more outspoken at the recent extraordinary Diet session?

[Ozawa] I've always been consistent about this. I've said any number of times that we shouldn't have anything to do with this, and that even discussing it would be beneath our dignity. For the Ministry of Education, for a national authority to take it upon itself to invoke its right of investigation, well, this is worse than the prewar Religious Corporation and Maintenance of the Public Order acts. If such an irresponsible law were enacted, that would be a dark day for mankind. I was opposed to even discussing the matter.

I urged everyone to refuse to discuss the matter, but I was told, "You're the only one who feels that way. Everyone else thinks we should discuss it." Alone, there's not a thing I can do, so I just told them to do whatever they liked.

[Oshita] Well, this will come up again. What will you do?

[Ozawa] I think the public's beginning to catch on. They'll wonder how long this nonsense is going to go on. Well, no matter how long it goes on, my views aren't going to change.

I'll stop this, even if I'm the only crusader. I have to, because it's wrong. They're saying that religious groups shouldn't be allowed to engage in political activities.

[Oshita] It's escalated to the point that they're saying that religious groups shouldn't be allowed to form political parties. But many religious groups in other nations have formed political parties. If too much effort

is made on behalf of the Soka Gakkai to win their support for the NFP in elections, history won't look kindly upon you. More debates should be held about connections between politics and religion.

[Ozawa] This is ridiculous. Look at the political parties of the world. There are Christian parties, Moslem parties, and lots of them. What's wrong with that?

When political considerations deem them unpopular, or when there is opposition to them, then attempts are made to crush or constrain them. Such tactics are worse than those used before World War II.

We're not talking about logic, we're saying that we don't like them, that's what it's all about. Such behavior is beneath us.

[Oshita] The LDP is telling the public that the NFP and the Soka Gakkai are one and the same.

[Ozawa] That's because they're operating from a position of self-interest. They want to hold on to the government, that's why. They're hopeless.

[Oshita] Are you confident that you'll win the next election? The forecasts suggest that the LDP will do better than the NFP, and that you'll have a rough time.

[Ozawa] Oh yes, we'll win. All we have to do is apply ourselves to the election efforts. (Laughter). The voters all want to hear what NFP representatives have to say. That's why I'll go back to my home turf, and talk to as many people as possible.

[Oshita] Then in that respect, the NFP presidential election has been a boon, hasn't it.

[Ozawa] Yes, I think so. Regardless of what they think of me, I've gotten their attention. Regardless of whether they supported me or Hata, the people who worked hard in the election have gained votes.

[Oshita] It's been a good opportunity, then?

[Ozawa] Yes. It doesn't matter who wins, whether Hata wins or I win. What matters is whether our people work hard to forge new relationships, relationships of trust, in their electoral districts.

People who think that's important and work hard will certainly be reelected.

[Oshita] At the next regular Diet session, you'll be the first to present questions during the interpellation period. How far will you be able to go in pursuing the "jusen" problem? The Diet should once again become a setting for heated debates. I'll be watching with great interest.

[Boxed item: Ichiro Ozawa, head of the NFP, was born in 1942 in Iwate Prefecture. He is a graduate of Keio University's Faculty of Economics. In 1969, he was

elected to the Lower House of the Diet as a member of the LDP. Since then, he has served nine consecutive terms. While a member of the Tanaka faction, Ozawa helped form the Soseikai [Takeshita faction]. He has served as chairman of the Lower House Committee on Rules and Administration and the National Public Safety Commission, minister of home affairs, and deputy chief cabinet secretary. In 1989, he was elected secretary general of the LDP. In 1993, Ozawa left the LDP and formed the Shinseito. He founded the NFP in 1994, serving as secretary general. He has held his current position since December 1995.]

[Boxed item: Writer Eiji Oshita was born in Hiroshima Prefecture in 1944. He graduated from Hiroshima University's Faculty of Literature. In 1969 he started working as a reporter for a weekly magazine. In 1981, his first book, *The Story of Dentsu* was published. He is a prolific writer, having written more than 10 serialized books. Among them are *The Story of Mitsukoshi — the Thirteen Judes*, *Misora Hibari and Her Times*, *Showa and Kenji Osano*, and *A Profile of Ichiro Ozawa*.]

Japan: Links Between Aum, Major Companies Discussed

OW3004035896 Tokyo AERA in Japanese 29 Apr 96 pp 10-13

[Article by AERA editorial board member Keiko Ihara: "Extent of the Participation in the Manufacture of Sarin by Famous Japanese and U.S. Enterprises"]

[FBIS Translated Text] The man applied to the Nagoya Branch of Itochu Corporation for the purchase of glycerin, saying "I want to sell it as an additive for boiled fish paste."

He was not a regular customer. The man said on the phone that he was Kiyoshi Ikemoto, managing director of "Beck," a chemical sales company in Yamanashi Prefecture. The branch little suspected that the man was Shigeyuki Hasegawa, 27, a believer in the Aum Shinrikyo sect. This is what happened in May 1994.

"Beck" offered not only cash payment, but a price higher than the market price without haggling. The man said he would come to the branch to receive the good. To the seller, it was a golden opportunity.

Raw Material of Dynamite

Glycerin is a widely used chemical. It is used as raw material for food additives, medicines, cosmetics, and even dynamite.

However, the branch's person in charge was satisfied with "Ikemoto's" explanation that he would like to buy

glycerin according to the request of a boiled-fish-paste maker in Shizuoka Prefecture, which is a production center for the product. When the man in charge asked "Ikemoto" the reason for his abrupt transactions with Itochu, he said, "We have had trouble with the company we had a contact with in the past, and the boiled-fish-paste maker wants us to sell him glycerin as soon as possible."

It was found that credit information on "Beck" issued by a research company and the outlines of "Beck" obtained by the man in charge were all in order. Credit sales require a severe examination, but cash settlement does not require as much.

A contract was concluded, under which nine tons of glycerin a month were to be purchased by "Beck" on a constant basis. When the man in charge went to see "Beck's" warehouses, he found that drums stuffed with glycerin were being sold smoothly. A monthly payment of more than 2 million yen was made without any delay. "Ikemoto" said, "Glycerin is selling well."

Because such large purchases were being made regularly, it was quite natural for the seller to want to know who the ultimate consumers were. The seller would wonder if it was possible to have a direct transaction with the consumers.

Therefore, the man in charge asked "Ikemoto" about that possibility twice. "Ikemoto," however, did not give the information to the man, saying, "I would do anything but that."

The man in charge did not ask "Ikemoto" further, receiving the refusal as a tacit sign that "we cannot allow you to meddle with our customers."

Itochu had seven transactions with the "Ikemoto," selling 72 tons of glycerin in total, when in January 1995 payment was stopped.

"Ikemoto" soon called the man in charge, saying, "My parental home in Kobe was hit by an earthquake, so I have decided to go home to Kobe. Actually, I manage our company by myself, so I would like to discontinue our business." This was his last call.

One staff member of Itochu who made an internal investigation of "Beck" says: "We never thought it was Aum. We learned that fact for the first time when we were questioned by a reporter who had grasped the existence of a dummy company after a criminal investigation by the police. We reported the matter to the police. It seems that the man in charge of the Nagoya branch who had visited 'Beck' did not know that there was a religious organization behind it."

By the way, is glycerin really used in making boiled fish paste? According to the National Federation of Boiled Fish Paste Fisheries Processing Industry Associations in Tokyo [as published], an additive, "glycerin fatty acid ester," is used as a surface active agent to improve the whiteness and luster of boiled fish paste. The federation further says that this additive is a chemical product made of glycerin and oil and that it is improbable for boiled fish paste makers to make glycerin by themselves.

Furthermore, the amount of consumption, 72 tons of glycerin in eight months, raises a question even among laymen. The amount of boiled fish paste produced in Japan is about 750,000 tons a year, of which about 1,000 tons, or 0.1 to 0.2 percent, are occupied by a surface active agent. According to Ueno Pharmaceutical Co. in Osaka, a manufacturer of "glycerin fatty acid ester," the amount of glycerin in the additive is about the half of that, about 500 tons. Therefore the amount of glycerin handled by "Beck" alone amounts to 20 percent of boiled fish paste produced in Japan. These facts were easily discovered upon inquiry to a big boiled fish paste maker.

The same staff member of Itochu says: "Cash settlement clouds even the judgment of tradesmen. I have a feeling that that particular Aum follower was well versed in business practices and was very clever. However, as a professional, we censure ourselves for not having been able to see through the plot. We told ourselves to be careful about stories that sound too good to be true."

"Trade Secrets" Act as a Wall

The late Aum follower Hideo Murai, chief of the "science and technology ministry," appeared last April in a live telecast that had been following the doubts about sarin. When he uttered the word "hastelloy" while explaining about a chemical plant in the seventh complex in Yamanashi Prefecture, a public relations man of Mitsubishi Materials Corporation was prepared for the worst, saying, "The time has come at last."

Hastelloy is the registered trademark of an alloy which is traded exclusively by Mitsubishi Materials Corp. within Japan. Hastelloy is an alloy composed of nickel, iron, and molybdenum, and has more than twice as much heat and corrosion-resisting ability as stainless steel. Hastelloy is used in petrochemical plants or is used in pipes for strong acid chemicals used in manufacturing semiconductors.

It was in October 1994 that Aum established contact with Mitsubishi Materials Corp. to purchase hastelloy. An Aum follower visited a Mitsubishi plant in Okegawa City, Saitama Prefecture, saying he was from the "Aum Chemical Research Institute."

"Hastelloy is an alloy used for special purposes, but hastelloy itself is not a dangerous thing. Unlike dangerous objects such as poisonous and deadly substances whose sales are regulated by law, it is customary for us to sell hastelloy after we have checked its use and the method of payment," according to Mitsubishi Materials Corp. sources.

Oral confirmation about the use of hastelloy is conducted to prevent its misuse by customers. It is said to be impossible for the seller to ask the buyer prying questions because such questions touch on the buyer's trade secrets and incur his displeasure when hastelloy is used in parts for the development of advanced technology.

The man in charge of Mitsubishi Materials Corp. asked the Aum follower about the use of hastelloy, but the follower did not tell him in detail. Therefore, the man in charge obtained a pamphlet issued by the Aum Chemical Research Institute; and to his satisfaction, the pamphlet listed "manufacture of semiconductors" as one of its business activities, so the story goes.

"If the other party had seemed to be a problematic entity like a gangster organization, they would have notified the General Affairs Department of the corporation to ascertain the background information of the other party. However, they did not have such a perception," according to the same sources of Mitsubishi Materials Corp.

It was Izawa Metal Co, a big seller of nonferrous metals as well as a sales agent of Mitsubishi Materials Corp., that directly sold hastelloy to the Aum Chemical Research Institute through the introduction of Mitsubishi Materials Corp. Only Izawa Metal Co. happened to have hastelloy in stock, and so the company had to accept the order, so the story goes.

Izawa Metal Co. sources say, "They placed an order with us through the introduction of Mitsubishi Materials Corp.; moreover, they paid in cash to our relief, so we did not ask them about the use of hastelloy. If you said that it was too good to be true, that would be the end of it, but...." (ellipses as published)

Some companies knowingly performed business transactions with Aum, little expecting that the transactions would lead to heinous crimes.

Du Pont-Mitsui Fluorochemicals Co., Ltd., which deals in fluorine resin and its processed goods, sold fluorine resin to Aum in February 1994. Taking advantage of the services offered by the company to its customers, Yoshihiro Hara and other members of the Aum science and technology ministry visited the company's Shimizu plant twice. The circumstances of these visits are partly

touched on in the opening statement concerning the subway nerve gas attack case.

These Aum members said they were from the "Shinri Science Institute," the predecessor of the "Science and Technology Institute." They asked the company to teach them how to apply Teflon coating to the wall of a medical fluid tank as wall lining. It is rare for customers to apply Teflon coating for themselves, so the company side asked them about the use of the tank. It is said that the Aum side did not answer clearly.

The company's staff member who had waited on his customers knew that they were Aum followers. However, he recollected that Aum had been manufacturing personal computers, and, thinking that their purchase had to do with the manufacture of semiconductors, he did not make a deep inquiry, so the story goes. The reason is that the ingredient of a medical fluid used for the manufacture of semiconductors is usually a trade secret.

Sumitomo Corporation Refused Transactions

On the other hand, there are some companies that refused to sell to Aum as a precautionary measure. An Aum-related company sounded out Sumitomo on the "purchase of glycerin." Sumitomo's chemistry team had made a bylaw that prohibits the sale of dangerous substances which could become powerful medicines or weapons unless the ultimate use of these objects is ascertained. When the Sumitomo side questioned the Aum side about the ultimate use of glycerin, the Aum side did not give a clear answer; therefore, the Sumitomo side gave up the transaction, so the story goes.

Mitsui Toatsu Chemicals, Inc., which did not receive a direct inquiry from Aum, says: "What Aum bought was chemicals or basic materials that are used for various purposes. Therefore no one could foresee at that time that they would be used for the manufacture of poisonous gas. At that time Aum was not known as a dangerous organization. Sales companies have to deal with various needs of the country, so there was every possibility that any company could have a relationship with Aum."

The Japan Chemical Industry Association, which comprises nearly 200 corporations including major chemicals manufacturers and trading companies in Japan, as well as 75 chemical industry organizations, made guidelines last October concerning the distribution and safety control of chemical products. The guidelines include a principle that not only advises manufacturers to follow ultimate users by themselves instead of depending on distributors, but also gives advice on the handling and control of chemical products.

The Aum incident occurred just when the association tried to make self-imposed rules by following the example of their counterparts in Europe.

"The Japanese industry has always depended on governmental regulations. From now on, it is necessary for manufacturers to know who are the end-users and to ascertain the use of products," according to the association.

It is quite impossible to prevent completely atrocious crimes. However, there are accidents that can be prevented if attention and judgment are exercised in conducting daily duties. The association aims at greater independence of the industry through the strengthening of the industry's internal checkup function without the increase of governmental regulations.

There are enterprises whose poisonous and deadly substances were distributed to Aum through their sales stores, although they did not have direct transactions with Aum. Some of these enterprises have made a check list by themselves to determine the reliability of their customers in dealing with new users.

The check list includes concrete items and these have been made known to every business department staffer without exception after the Aum incident. Some of these items are: To what extent is the customer known? Does the customer refuse to tell about the ultimate use of substances, or is he hesitant about telling about it? Is the method of payment cash, which is a little unusual? Did the customer make special requests concerning packing and distribution routes?

The Names of Companies Are Not Disclosed in Court

The enterprises that are introduced in this article have accepted our news gathering even if their trade names will be publicized. It can be said that it is cruel to call these enterprises to account for what they did in the past. Actually, however, trade names have not been publicized in the past court arraignment.

In the arraignment, developments leading to the establishment of the manufacturing process of sarin are described in detail. However, the names of enterprises, which are the supply source of various chemicals or materials and are all big enterprises representing Japan, are merely listed as "traders" or "chemicals sales companies," or are not listed at all.

Generally, in the arraignment of criminal cases, the name, the location, and even the street number of a store where the criminal bought a murder weapon are read out, for example.

There is a great difference between big enterprises and small stores in other Aum-related lawsuits.

For example, a case in point is the first trial of Shinya Asano, a former Ground Self-Defense Forces official, which was held on 27 September of last year. He was accused of violating the Telecommunications Operation Law on the grounds that he had set up a wiretapping device in the home of a Self-Defense Forces leader's daughter. In the court arraignment, the name and even the address of a convenience store in Chiba City where the accused bought a cutter and dry batteries to set up a wiretapping device were disclosed. This is a case where the store cannot be held responsible for what it did.

In the compulsory criminal investigation which began last March, drums stuffed with chemicals were seized from warehouses and they were shown as a close-up on television, but the maker's name was covered with paper.

Did the investigation authorities cover the name in consideration of the magnitude of the effect produced by such a serious case? Or did the enterprise ask the authorities to cover the name? Each enterprise claims that the latter case is unthinkable.

North Korea

DPRK: SPA Official Blames U.S., ROK for Destruction of Armistice

SK0205092296 Pyongyang KCNA in English 0900 GMT 2 May 96

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — Yi Mong-ho, secretary general of the Standing Committee of the Supreme People's Assembly (SPA), who is leading a delegation of the DPRK assemblymen's union, spoke at the 95th plenary session of the inter-parliamentary union held in Istanbul.

He cited detailed data to expose that the U.S. hostile policy towards the DPRK continues and its economic blockade and military threat are increasing though there are some signs of the improvement in the bilateral relations under the agreed framework adopted between the two sides for the solution to the nuclear issue.

Recently the DPRK put forward the most reasonable proposal to conclude a tentative agreement replacing the Armistice Agreement in order to prevent an accidental armed conflict in the Demilitarized Zone until a new peace-keeping mechanism is established, he recalled, and said:

The U.S. and the South Korean authorities are to blame for the destruction of the Korean Armistice Agreement

because they have systematically violated the agreement and armistice supervisory tools.

Two-thirds of the contents of the agreement have been destroyed by them over the past 40 years and, as a result, the agreement has been left without real meaning.

There is no change in the DPRK's position to solve the problem of national reunification in a peaceful way.

The inter-Korean relations have been aggravated by the present authorities of South Korea, Yi Mong-ho said, adding:

If they truly want the North-South relations to be improved through dialogue, they should show their practical will by abrogating the "National Security Law", which defines the North as "enemy", removing the concrete wall and stopping reckless military moves.

In the DPRK all things are going well under the tested guidance of General Kim Chong-il, its supreme leader. This evidently proves the vitality of Korean socialist system.

DPRK: U.S.-Supplied Oil Used To Generate Heat, Electricity

SK0205015596 *Pyongyang KCNA in English*
0147 GMT 2 May 96

["Oil Shipments to the DPRK Underway" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — The U.S.- sponsored Korean Peninsula Energy Development Organization (KEDO) has been delivering heavy oil to the Democratic People's Republic of Korea as scheduled under the framework agreement between the DPRK and the United States.

Ships carrying 44,000 tons of oil for April this year arrived in Sonbong and Chongjin Ports on April 22 and 29.

Earlier, 150,000 tons were delivered to the DPRK from October 1994 to October 1995 and 126,000 tons from November 1995 to March this year.

A total of 320,000 tons have been shipped to the DPRK.

According to the framework agreement, the U.S. and KEDO have been obliged to deliver 500,000 tons of heavy oil to the DPRK every year from November last year.

The oil has been used in electricity and heat generation.

DPRK: ROK Defector on His 'Happy Life' in DPRK

SK0205045496 *Pyongyang Radio Pyongyang in Korean to South Korea* 0900 GMT 30 Apr 96

[FBIS Summary] Since I defected from South Korea, where I had received "inhumane treatment" and "suffered the fierce struggle for existence," I have been spending "dreamy days in the happiness and mirth of having moved from hell to paradise." The most impressive aspect I have felt since I came here in December 1995 is that "all North Koreans live happily, without worry, in the bosom of the respected and beloved General Kim Chong-il." In fact, the lives of the working popular masses in South Korea "are mercilessly abused by fraud, irregularities, and corruption by outside forces and by nation-sellers." During my 33-month military service for the "puppet army," my human rights were ceaselessly trampled upon. I cannot forget the bitter days in the old barracks, where the water shortage was so serious soldiers could not even wash their face and clothes. Whenever I received "abusive disciplinary punishment," which occurred almost every day in the barracks, I contemplated killing my senior officers in case of war. Many other soldiers openly and frequently talked about the same contemplations I had. "South Korean society is indeed a paradise to the rich and to men of power, but is nothing but a hell for the working popular masses." This is why I decided to leave South Korea.

I am now enjoying a happy life "in the bosom of the Republic, which I always yearned for when awake or asleep." Everyone here warmly receives me like his or her own family member; it is truly worth living here. "There is no such blessed society in the world as North Korea, where a perfect unity has been achieved between the leader [suryong] and the people, and where human relations are composed of warm love." I repeatedly extend my heartfelt thanks to the "respected and beloved General Kim Chong-il" for having prepared this excellent society by practicing "benevolent politics based on love."

DPRK: Rally, Ceremonies Held To Commemorate May Day in ROK

SK0205040096 *Pyongyang KCNA in English*
0348 GMT 2 May 96

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — A rally took place at Poramae Park in Seoul on Wednesday with the attendance of more than 15,000 working people to commemorate May Day, according to a radio report from Seoul.

At the rally the chairman of the "General Federation of Democratic Trade Unions" criticised the puppet clique

for "management-labour reform" and called for cancellation of the article banning a third party's interference aimed at suppressing labour movement.

The "General Federation of Democratic Trade Unions" at the rally adopted a resolution demanding the amendment of the evil labour law.

Ceremonies to mark May Day were held in Seoul and five other parts of South Korea on the same day.

At the ceremonies the "General Federation of Democratic Trade Unions" strongly urged the puppet clique to admit the pluralisation of trade unions, guarantee the working people's right to unity and lift the measures, the source of deteriorating working conditions.

DPRK: Call for Talks on Normalization of Japan-DPRK Ties Cited

*SK0205092896 Pyongyang KCNA in English
0902 GMT 2 May 96*

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — Representatives of the Tochigi Prefectural People's Council for Japan-DPRK Friendship visited the office of the Japanese prime minister on April 24, urging early normalization of Japan-DPRK diplomatic relations, a KNS report from Tokyo said.

The chairman of the council handed over a request and a statement addressed to the prime minister, which urge the resumption of negotiations for early normalization of Japan-DPRK relations.

DPRK: Acts of Violence Against Koreans in Japan Noted

*SK0205093596 Pyongyang KCNA in English
0904 GMT 2 May 96*

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — A third-year girl student (middle school) of the Korean primary and middle school No. 1 was assaulted by a ruffian on her way to school in Tokyo, Japan, on the morning of April 26.

The ruffian with a black cap on and a mask on his face pounced upon the schoolgirl and cut off her skirt with a sharp knife. Then he covered her eyes and again cut off her Korean jacket collar, uttering wild words.

In this connection, on the same day, officials of the General Association of Korean Residents in Japan, the Democratic Union of Korean Women in Japan and the League of Korean Youth in Japan, and educators and parents of students in Tokyo staged request campaigns at Arakawa and Takinogawa police stations.

They strongly demanded the prevention of violence on students of Korean schools and the arrest and severe punishment of the criminals.

DPRK Foreign Ministry Statement Distributed in UNSC

*SK0205034096 Pyongyang KCNA in English
0334 GMT 2 May 96*

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — The April 12 statement of a spokesman for the Ministry of Foreign Affairs of the DPRK was distributed as an official document S/1996/310 of the U.N. Security Council [UNSC] on April 22.

The statement was published as the South Korean authorities and some dishonest-minded forces are seriously getting on the nerves of the DPRK with false rumours which would not be a help to the settlement of the problems at a time when the military tensions on the Korean peninsula are hourly leading to an unpredictable situation.

DPRK: Television, Radio Report on Leaders Commemorating May Day

SK0205063096

[FBIS Report] The following is a compilation of reports on workers at various plants and enterprises celebrating May Day, and DPRK party and government cadres visiting these plants and enterprises on 1 May.

At 1100 GMT on 1 May, Pyongyang Korean Central Television Network in Korean carried a series of reports on leaders visiting various plants. The first was a six-minute news report on employees at the Namhung Youth Chemical Complex enjoying recreational activities, such as sports games and art performances. Included were interviews with several employees from the complex. The announcer stated: "Comrade Yi Chong-ok is now here in the complex to congratulate workers and spend May Day with them."

Pyongyang Television then carried a five-minute news report on workers of the Anju District Coal Mine Complex enjoying sports games, the report also including interviews with employees. The announcer stated: "Comrade So Yun-sok is present in this coal mine complex to congratulate workers on the May Day. He spent this significant holiday with the workers to vigorously encourage them."

This Pyongyang Television report was followed by a four-minute news report on workers at the Sangwon Cement Complex enjoying sports games to celebrate May Day. The announcer stated: "Comrade Hong Sok-hyong significantly spent the holiday with the workers

at this complex, who greeted May Day after registering brilliant labor successes by vigorously carrying out a cement production battle in this modernized and automated complex."

This report was followed by a three-minute news report on workers and builders from plants and enterprises under the Capital Construction Command enjoying sports games in the 1 May Stadium in Nungnado, Pyongyang. The announcer stated: "Together with workers and builders, Comrade Kim Chung-nin has attended various commemorative functions held to mark the May Day in this stadium." The report added: "Comrade Kim Chung-nin met construction innovators and warmly encouraged them to uphold with loyalty the great general with greater construction success by following the fatherly leader's behest."

Pyongyang Television then carried a two-minute news report on workers at the Pyongyang Textile Plant enjoying commemorative functions marking the May Day. The announcer stated: "Together with workers of this plant, Comrade Kim Pok-sin attended various commemorative functions marking the holiday." The report added: "Comrade Kim Pok-sin warmly encouraged textile workers to uphold the great general with loyalty through greater success in textile production."

This report was followed by a two-minute news report on workers at the Kim Chong-tae Electric Locomotive Plant commemorating May Day. The announcer stated: "Comrade Kim Yun-hyok commemorated the holiday along with the working class of this enterprise."

Pyongyang Television concluded its report with a two-minute news report on workers at the Pyongyang Music Instrument Plant commemorating May Day. The announcer says: "Comrade Chang Chol attended various commemorative functions along with the working class in this plant."

At 2100 GMT on 1 May, Pyongyang Korean Central Broadcasting Network in Korean carried a two-minute news report on workers commemorating May Day, saying: "The working class and working people across the nation significantly celebrated May Day, an international holiday of workers around the world, amid majestic circumstances in which they are accelerating the formidable struggle to vigorously demonstrate the mettle of socialist Korea under the leadership of the respected and beloved Comrade Kim Chong-il."

Explaining the scenes of streets, plants, and enterprises in Pyongyang and provincial cities commemorating the workers' holiday, the announcer stated that Comrades Yi Chong-ok, Pak Song-chol, Chon Pyong-ho, Han Song-yong, Yo Yun-sok, Choe Yong-im, Yang Hyong-

sop, Hong Sok-hyong, Yon Hyong-muk, Kim Chung-nin, Kim Pok-sin, Kim Yun-hyok, and Chang Chol, and party and government cadres, including chairmen and ministers of the Administration Council, visited plants and enterprises in various areas on 1 May to commemorate their solidarity with the working class. They congratulated the working class on its great success achieved in the struggle to implement the great leader's [suryongnim] behest and the party's revolutionary economic strategy."

DPRK: Yi Chong-ok, Others Visit Industrial Complexes on May Day

*SK0205035696 Pyongyang KCNA in English
0339 GMT 2 May 96*

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — Workers and other working people of Korea significantly celebrated May Day, an international holiday of workers the world over.

Yi Chong-ok, Pak Song-chol, Chon Pyong-ho, Han Song-yong, So Yun-sok and other senior party and government officials spent May Day with workers at industrial establishments across the country.

They went to the Anju area coal complex, the Hwanghae iron and steel complex, the Kim Chong-tae general electric locomotive works, the Taean heavy machine complex, the Nampo general smelteries, the Namhong youth chemical complex, the Haeju smeltery, the Sangwon cement complex, Pyongyang textile combine and other industrial establishments.

The officials congratulated workers there, who were making signal achievements in production to carry out the behests of the great leader President Kim Il-song and the revolutionary economic strategy of the Workers' Party of Korea, and played sports games with them, significantly spending the holiday.

They acquainted themselves with production of factories and enterprises, conversed with innovators and called at workers' houses.

That day, artistes of central art troupes gave performances at parks and pleasure grounds of the capital city.

DPRK: Kim Chong-il's 'Sense of Internationalist Obligation' Noted

*SK0205093496 Pyongyang KCNA in English
0847 GMT 2 May 96*

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — The great leader Comrade Kim Chong-il when Shin Kanemaru in Japan died in March, sent a message of condolence to his son and a wreath to the bier of the deceased.

Shin Kanemaru visited Korea in September 1990 and signed the joint declaration on DPRK-Japan relations adopted between the Workers' Party of Korea and the Liberal Democratic Party and the Social-Democratic Party of Japan.

After his visit, he said it is His Excellency Kim Il-song to whom he has come to have greatest regard.

Comrade Kim Chong-il, who has fully personified and is carrying forward the great leader President Kim Il-song's noble sense of internationalist obligation shows invariable respect and warm love for those with whom the president was on terms of intimacy in his lifetime.

He sent a message of condolence and a wreath when Ya. T. Novichenko in the former Soviet Union, who was highly praised as an internationalist soldier and given warm love and solicitude by President Kim Il-song, died in December 1994. And he took measures for his funeral.

He sent a sixtieth birthday table to Shuhachi Inoue, a Japanese public activist, and called him to Pyongyang in March 1995 and arranged a 70th birthday table and a gift for him.

His love and solicitude go to all those of conscience the world over who love justice and truth.

Among them are King of Cambodia Norodom Sihanouk, the family of Otto Grotewohl, who was the first prime minister of the former German Democratic Republic, Chinese Zhang Weihua's family, Pierre Boudot, who was a professor of the Paris University No.1.

That is why Humberto Ortiz Flores, manager of the "VOLUNTAD" Publishing House of Ecuador, declared: "His Excellency Kim Chong-il is the only great 'god of love' that had not existed in the former generations nor will exist in the future generations."

DPRK: Kim Chong-il Thanks Officials, Workers, Peasants

*SK0205035296 Pyongyang KCNA in English
0335 GMT 2 May 96*

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to workers, technicians, office workers and peasants, who had contributed to the construction of pit No.7 of the Namyang Coal Mine of the Pukchang Area Coal Complex, salterns in Chongsan County, South Pyongan Province, and rural dwelling houses in South Pyongan Province.

He also extended thanks to the officials who had contributed to compiling the "Pictorial Book of Korean Historical Sites and Relics".

Edited in this book consisting of twenty volumes are pictures and diagrams of over 1,300 historical sites and about 10,000 pieces of relics, which show the excellent cultural traditions of the Korean nation.

DPRK: Floral Baskets Laid at DPRK Embassy in Peru on KPA Birthday

*SK0205035196 Pyongyang KCNA in English
0332 GMT 2 May 96*

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA) — Jorge Raso Arrasco, general secretary of the Latin American Institute of the Chuche Idea and chairman of the Peruvian National Association for the Study of the Chuche Idea, and other figures of Peru laid floral baskets before full-length figure portraits of the great leaders President Kim Il-song and Comrade Kim Chong-il placed at the DPRK Embassy in Lima on the occasion of the 64th anniversary of the founding of the Korean People's Army [KPA].

South Korea

ROK: U.S. Urges DPRK To Participate in Proposed Talks

*SK0205022896 Seoul YONHAP in English
0218 GMT 2 May 96*

[FBIS Transcribed Text] Washington, May 1 (YONHAP) — U.S. Deputy Assistant Secretary of State Thomas Hubbard urged North Korea Wednesday to accept the proposed four-way peace talks on the Korean peninsula that would involve the two Koreas, the United States and China.

Exchanging a wide range of opinions at his meeting with Yi Chong-hyok, a vice director of the Central Committee of the North Korean Workers' Party, Hubbard pressed the North to actively participate in the proposed summit, U.S. State Dept. [Deputy] Spokesman Glyn Davies said.

Yi, however, failed to reply to the request and there has been no official response from the North on whether it plans to participate in the talks, Davies added.

Meanwhile, State Department Spokesman Nicholas Burns told reporters that he hopes negotiations to return the remains of U.S. servicemen killed in action during the Korean war would resume as soon as possible, saying that he would "not be surprised" if Pentagon officials take part in the contacts.

Yi and his party will remain in Washington for four to five more days, Burns noted.

The North Korean official met Tuesday with members of the ethnic Korean community in the Washington,

D.C. area, including journalists, according to an American source.

ROK: Rationale of DPRK Official's Remarks on U.S. Forces in Korea

SK0205080196 Seoul KYONGHYANG SINMUN in Korean 2 May 96 p 3

[Editorial: "The Hidden Purpose Behind the 'Approval of U.S. Forces in Korea'"]

[FBIS Translated Text] Remarks by Yi Chong-hyok, vice chairman of the Asia-Pacific Peace Committee of North Korea, who is visiting the United States, said, the day before yesterday, that North Korea is not opposed to the peace-keeping role of U.S. Forces in Korea [USFK], which has attracted public attention. Several days ago, Kim Chong-u, chairman of North Korea's External Economic Committee, also drew public attention by disclosing North Korea's plan to pursue a capitalist markets in a seminar at George Washington University. While the remarks by the two North Korean officials give the impression that there has been a great change in North Korea's line, there is a hidden purpose behind these remarks. North Korea showing approval of the USFK's presence appears to be a remarkable change. However, this is not the first time that North Korea has shown this reaction. Similar remarks were made every now and then following the North Korea-U.S. high-level talks in January 1992, and similar analyses were made. If a difference is to be noted from North Korea's past remarks, the recent remarks by Yi Chong-hyok were made on an official occasion in a more clear manner than ever before.

Accordingly, we can easily understand North Korea's true intentions by carefully reviewing its position as revealed by Yi Chong-hyok during a seminar at the University of Georgia. Asked to comment on the remarks by Pak Sung-tok, head of North Korea's National Affairs Institute, that "the United States has heavy responsibility in maintaining peace on the Korean peninsula," Yi Chong-hyok said that "while it is desirable for the USFK to fulfill its role of peace maintainer on the Korean peninsula, the USFK is presently unable to play a role of building trust." He then stressed that the USFK should prove through actions that it can play the role of a peace maintainer, and demanded the suspension of ROK- U.S. and U.S.-Japan joint military exercise, the suspension of offensive remarks against North Korea by U.S. officials, and the suspension of the U.S. supply of offensive weapons to the ROK.

These demands are a clear indication of North Korea's true intentions. If the U.S. Army can not conduct joint military exercises with the ROK Army or supply

offensive weapons to the ROK, the significance of the USFK will become null and void. Thus, North Korea is demanding a complete change in the meaning of the USFK's existence in return for its approval of the presence of U.S. troops in South Korea. This insistence totally overrides "the right of the U.S. Army to deploy its troops within and around the ROK territory" of the ROK-U.S. Mutual Defense Agreement.

Following the four-way talks proposal, various changes for creating a new order on the Korean peninsula are expected to emerge. The most important among the expected changes is the change in North Korea-U.S. relations. Therefore, it is now time for our government to take meticulous measures to ensure that changes in North Korea- U.S. relations do not result in any unanticipated damage to ROK-U.S. relations. Yi Chong-hyok's remarks are one such occasion.

ROK: USFK To Deploy New Reconnaissance Planes

SK3004104396 Seoul YONHAP in English 1003 GMT 30 Apr 96

[FBIS Transcribed Text] Seoul, April 30 (YONHAP) — The U.S. Forces Korea reported Tuesday new ARL reconnaissance planes will be deployed in Korea for service in place of tactical OV-1D reconnaissance planes set to retire in June.

The ARL planes, armed with ultra-modern electronic equipment, are able to detect electronic signals and take pictures while flying low, and can operate even at night and in inclement weather.

U.S. military authorities, however, refused to discuss details of its performance or the number of the ARL's to be assigned to Korea.

ROK Editorial Decries DPRK 'Demand' for Concluding Peace Treaty

SK0205011296 Seoul THE KOREA TIMES in English 2 May 96 p 6

[Editorial: "NK View of US Troops"]

[FBIS Transcribed Text] There is no denying that North Korea's aim with its demand for the conclusion of a peace treaty with the United States has been to get U.S. forces withdrawn from South Korea. But now Pyongyang has come up with a novel proposal that deviates somewhat from its conventional policy on the presence of American troops here.

Yi Chong-hyok, a central committee vice chairman of North Korea's ruling Workers Party, stated in a seminar in the U.S. that Pyongyang would not object to U.S. forces acting as peacekeepers separating the armies of

South and North Korea. At first glance, Kim's overture seems to represent a change in the North's steadfast opposition to the American troops stationed here.

However, the conditions attached to the continued presence of U.S. troops raise doubts about the North's true intentions. As a result, we are tempted to conclude that Kim's statement is another example of the bait-and-switch tactics that the North has followed in bargaining with Washington in the past.

As is known, the North has been gearing up its drive to impress the U.S. and other Western democracies, making it appear that it is ready to cooperate or coexist with the West. At the same time, Pyongyang has attempted to show that its "chuche" or self-reliance policy is about accommodating capitalist economic thought, and provides a basis for building new relationships with the U.S. and its allies.

Now, the North Korean official says while Pyongyang would accommodate the American forces as peacekeepers in Korea, it cannot accept the present role that U.S. troops play in Korea. But, peacekeeping is exactly what they have been doing in Korea, deterring war for more than four decades.

Also unreasonable are the other conditions, namely, an end to U.S. military exercises with South Korea and Japan, a halt to comments by the commanders of U.S. forces and other American officers about the Korean situation and a discontinuation of the introduction of weapons of an offensive nature into the South.

As Kim is an influential foreign affairs specialist in the North, his opinions are believed to carry some weight. Nonetheless, this particular position has yet to be confirmed by any official Pyongyang mouthpiece and hence are subject to refutation by other authorities as was often seen in the dictatorial system. Accordingly, his statement and his aims must continue to be probed for the time being.

Pyongyang's ongoing attempts to improve relations with Washington, yet desperately shutting out Seoul's participation in policy decisions about inter-Korean affairs have been intolerable. A close watch is now in order to confirm the North's real intentions with this latest move. There is no reason for Seoul and its allies to jump at more Northern bait.

ROK: Carter Invited To Attend Kim Chong-il Inauguration in Oct

SK0205000096 (Internet) The Chungang Ilbo WWW in English 2 May 96

[FBIS Transcribed Text] Former US President Jimmy Carter is reportedly planning to visit Pyongyang in early

October. Carter's visit is slated to coincide with the formal power succession of North Korea's de facto leader Kim Chong-il, where there is a high possibility that Kim will take over the post of President or general-secretary of the Workers' Party sometime in October.

A Foreign Ministry source stated Monday [29 April] that "North Korea has been trying to arrange a visit to Pyongyang by former US President Jimmy Carter through its representative office in New York since last January. They invited Carter to attend Kim Chong-il's formal inauguration in these posts during a series of contacts with American officials which took place last month."

ROK: Corrected Version of AMCHAM: 'Effort' Needed To Join OECD

SK1704054596 Seoul YONHAP in English 0442 GMT 16 Apr 96

[Corrected version of YONHAP article on AMCHAM's comments on the ROK's possible admission into the OECD, published in the 15 April EAST ASIA DAILY REPORT on p 79; editorial note describes difference from first version]

[FBIS Transcribed Text] Seoul, April 15 (YONHAP) — The American Chamber of Commerce (AMCHAM) in Korea said Monday that South Korea's admission into the Organization for Economic Cooperation and Development [OECD] would take a "considerable effort" by the government if it hopes to gain membership this year.

"The leadership of Korea must take the initiative to overcome the developing country syndrome and openly declare itself a developed country," said AMCHAM President George F. Williams, Jr.

In his press release titled "Korea's Success Is Our Success," Williams noted South Korea continues to lag behind other Asian nations in terms of facilitating foreign investment. Despite its aggressive drive to liberalize its economy, Seoul's attempt to improve the trade and investment climate here has been "slow to gain acceptance in the area of public opinion and support."

"Frequently, trade barriers and import restrictions are eliminated but soon replaced with new bureaucratic red tape or other non-tariff trade barriers," he said.

Excessive regulation, transparency issues and import processes continue to bog business activity down, according to Williams. Foreign automotive, insurance, telecom and agricultural firms, faced with strong Korean competitors and "sensitive cultural implications," will have a particularly tough time penetrating the market, he added.

United States posted a trade volume [original version read trade surplus] in its 50-billion U.S. dollar bilateral trade volume with South Korea last year, and Williams said the surplus would continue due to increasingly competitive U.S. firms and the declining Korean share of the American consumer products market.

As a result, he said, Korean firms are increasingly targeting markets in developing nations.

President Kim Yong-sam's "globalization" policy has brought results, especially at the higher levels, in an effort to foster a favorable environment for trade and foreign investment, the AMCHAM head pointed out.

"However, the overall trade and investment environment still closely resembles the Japanese model versus the more open approach of most other Asian nations."

The one area in need of the most change is the financial sector, according to Williams, with foreign exchange controls, offshore financing, high interest rates, and banking and securities reforms giving potential investors the most worry.

In intellectual property rights (IPR), Williams noted consistent enforcement of the laws and appropriate penalties for violators as being problematic, with chemical, textile and software firms still complaining of major violations.

"Overall, Korea has made significant progress in IPR protection over the last few years, but additional work is required."

Wages are still outpacing productivity here, Williams claimed, but the gap has narrowed.

The AMCHAM head reiterated his organization's support to grant South Korea visa-free status for travel to the United States, saying that because of the long and tedious process to obtain a visa, Korean tourists are choosing to go elsewhere.

Williams estimated that for Hawaii alone, more than 500 million dollars may have been lost in potential revenue from Korean tourists last year.

ROK: U.S.-DPRK Bilateral Trade Exceeded 5 Million Dollars in '95

SK0205020796 Seoul YONHAP in English
0149 GMT 2 May 96

[FBIS Transcribed Text] Seoul, May 2 (YONHAP) — The total amount of bilateral trade between North Korea and the United States last year exceeded 5 million U.S. dollars, a whopping 28-fold increase from the previous year when Washington's economic sanctions against Pyongyang were lifted following their nuclear framework accord.

The U.S.-N. Korean trade is expected to grow rapidly since the United States has been showing signs of improving economic ties with the communist state, a government official said Thursday.

He pointed out the U.S. Government's trade policy that has allowed American businesses to export more than 1.5 billion dollars worth of products to North Korea over a two-year period.

Quoting the 1995 U.S. export-import statistics by the American Trade Information Service firm "World Trade Atlas," the official said North Korea imported a total of 5,006,000 dollars worth of commercial goods from the United States last year, but there was nothing exported to America from the North.

American corn worth 4.21 million dollars accounted for 84 percent of North Korean imports from the United States and 487,000 dollars worth of gasoline accounted for 9.7 percent, according to the official.

In contrast, the value of trade between the two countries in 1992 was 467,000 dollars, 1,979,000 dollars in 1993, and a meager 180,000 dollars in 1994.

The official predicted that the volume of U.S.-N. Korea trade will grow rapidly thanks to appeasement-oriented U.S. economic policy toward North Korea, including food assistance and legislation of new export management laws.

ROK: EU Expresses Support for 4-Way Peace Talks Proposal

SK3004033496 Seoul YONHAP in English
0246 GMT 30 Apr 96

[FBIS Transcribed Text] Seoul, April 30 (YONHAP) — The European Union (EU) supports the proposed four-way talks for peace on the Korean peninsula that would involve South and North Korea, the United States and China, the Italian Embassy in Seoul reported Tuesday.

Italy, the EU chaircountry for the first half of this year, said in a press release from Rome that it hoped the talks would result in the resumption of "constructive dialogue between all parties concerned," which is "necessary for the fostering of stability on the Korean peninsula."

ROK: NNSC Meeting To Urge DPRK To Abide by Armistice Agreement

SK0205041896 Seoul KYONGHYANG SINMUN
in Korean 2 May 96 p 2

[Report by reporter Yi Sung-chol]

[FBIS Translated Text] It was learned that the Neutral Nations Supervisory Commission (NNSC) in Panmunjom will hold its regular meeting sometime early

next week in connection with North Korea's armed provocations committed in Panmunjom, and will adopt a statement criticizing these actions.

On 1 May, a diplomatic source in Seoul conveyed: "The NNSC will hold a meeting sometime early next week in Panmunjom. During the meeting, the NNSC will criticize North Korea's armed provocations committed in Panmunjom and adopt a statement urging North Korea to abide by the Armistice Agreement."

This diplomatic source revealed: "Fundamentally, the NNSC views the armed provocation committed in Panmunjom early last month as a grave violation of the Armistice Agreement that cannot be overlooked by any means. It is known the NNSC is currently contemplating the level of the statement it will issue."

The NNSC consists of four neutral countries—Switzerland, Sweden, Czechoslovakia, and Poland—and was established in 1953 to supervise whether the Armistice Agreement was being abided by. In April 1993, Czechoslovakia was expelled by its country of recommendation, North Korea; in May 1995, Poland was also expelled. Since then, the NNSC has been operating only in formality, holding meetings once every quarter.

ROK: Defector Interviewed on DPRK Economic, Social Situation

SK3004053096 Seoul MUNHWA ILBO in Korean
25 Apr 96 p 5

[Interview with Choe Se-ung, North Korean foreign exchange dealer posted in London who defected to South Korea in December 1995, by reporters Ye Chin-su and Kim Sung-hyon on 24 April; place not given — first two paragraphs are MUNHWA ILBO introduction]

[FBIS Summary] Choe Se-ung, 35, is son of Choe Hui-pyok, director of the Finance and Accounting Department of the North Korean Workers Party of Korea and a close aide to Kim Chong-il. He established the first North Korea-British joint-venture development and investment company in London. He defected to South Korea in December 1995. MUNHWA ILBO interviewed him on 24 April and discussed North Korea's economic, social, and cultural situation.

"North Korean leaders' concept of capitalism is similar to that of the 1920's." Choe began with North Korean leaders' lack of understanding in capitalism. According to Choe, even Kim Chong-u, vice chairman of the North Korean External Economic Committee, knows only basic terminology, such as the letter of credit, and is "ignorant" of the principles of the money flow and finance in capitalist society. He tried to explain to Kim

Chong-il and government leaders his experience gained from the investment company in London, but faced a limit because they did not understand fixed costs or the need of a labor union. As a result of his efforts, however, Kim Il-song University recently opened a finance department. The followings are questions and answers exchanged in the interview.

[Reporters] What did you do at the North Korean-British joint-venture company?

[Choe] I went to London in October 1990 and established a joint-venture company to start a foreign exchange business. I was a foreign exchange broker. I had difficulty when North Korea's gold production, a major source of foreign currency, did not work as scheduled.

Gold is produced in the Nampo Smelter Station, the largest of its kind in North Korea, and two others in Chongju and Wonsan. As far as I know, the Nampo Smelter Station is almost out of operation. Daily gold production was dropped from 200 kg to 40 kg.

[Reporters] Please explain North Korea's foreign currency system and exchange rate.

[Choe] The current exchange rate is 2.10 won per dollar. However, the black market rate is 120 won per dollar. The government controls foreign exchange. Without the government control, the exchange rate might have soared to thousands of won due to inflation.

[Reporters] We understand that people's economy only accounts for 5 percent in North Korea as compared to the military economy. Kim Chong-il's slush funds, and underground economy.

[Choe] I do not know about that. However, it is known that a large amount of foreign currency from the sales of gold and remittance from overseas Koreans went into Kim Chong-il's slush funds. The only thing I know is that the amount is about hundreds of millions of dollars.

[Reporters] Why does North Korea train foreign exchange dealers?

[Choe] North Korea has been speculating in foreign exchanges in London, Austria, Kuwait, Macao, and the Chinese border areas. Middle-level party cadres have planned to use profit from the exchange speculation to repay foreign debt. They believe they have to train bankers to fight against capitalists.

[Reporters] What was your recent impressive deal?

[Choe] When the dollar value froze in Austria last year, I analyzed that the value will hike and I was correct. I earned \$1.5 million. I was able to remit \$1 million to the Korea Unification Development Bank run by Kim

Chong-il's sister Kim Kyong-hui, as the investment cost in the North Korean-British joint-venture company.

[Reporters] What is your plan?

[Choe] I am quite a good foreign exchange dealer and able to compete with European bankers. I am confident to become a successful foreign exchange dealer and stockbroker in Seoul.

[Reporters] What was your motive to defect?

[Choe] The feeling of being betrayed and the desire for better education for my children. I frequently reported to Kim Chong-il directly, but the government asked me to leave my daughter at home as a hostage when it sent me to an overseas post. I was disappointed at the government. I was worried that it will be difficult for my children to live in North Korea after being educated in England. (Editor's note: He eventually took the six-year-old daughter out of North Korea before defecting to the South)

[Reporters] Is the North Korean society so closed and inhumane?

[Choe] There is no personal freedom in North Korea. There is only "freedom within the organization," which is meant for Kim Chong-il only.

[Reporters] The ROK and U.S. Presidents recently proposed to hold four-party talks. How do you expect North Korea will react?

[Choe] My territory is finance. I do not know about politics. (Editor's note: Choe continued to avoid political questions concerning the situation of the Korean peninsula)

[Reporters] Is computer being widely used in North Korea?

[Choe] Only in-house programs are used. Computers are not connected in a network like here.

[Reporters] Computers are the core of the 21st century. Will North Korea survive without the development in the information sector?

[Choe] The only way to survive is to open up and supply the low-cost labor and rich natural resources. South Korea's technology and capital, combined with North Korea's manpower and resources, can beat Japan. However, politicians do not think so.

[Reporters] Why do they not think so?

[Choe] To protect their vested interests.

[Reporters] Many people talk about the collapse of North Korea. What do you think?

[Choe] It will not easily collapse. The collapse of the Soviet Union and Eastern Europe was possible because of the telecommunications from the Western world. North Korean people cannot listen to the radio as they wish. However, going against the trend of history will eventually lead to a collapse.

ROK: DPRK Defector Arrives in Seoul

SK3004134496 Seoul YONHAP in English
1209 GMT 30 Apr 96

[FBIS Transcribed Text] Seoul, April 30 (YONHAP) — A North Korean man who has escaped North Korea and had been staying in the area of the Commonwealth of Independent States (CIS) arrived in Seoul Tuesday.

The Foreign Ministry reported that the man, whom it identified only as Chong Chae-kwang, sought asylum in South Korea and the government permitted his asylum in the country on humanitarian grounds.

ROK: Dismissed Official Views DPRK LWR, ROK Nuclear Industry Issues

963C0003A Seoul SINDONG-A in Korean Feb 96
pp 394-419

[Article by Yi Pyong-ryong, a department manager and the former leader of the DPRK LWR Team at the Korea Atomic Energy Research Institute. He is the only South Korean who participated in all stages of the DPRK LWR negotiation, from importing the reactor technology to South Korea to the decision to supply a South Korean-model reactor to DPRK.]

[FBIS Translated Excerpt]

Part I. Order to Support Russian VVER Reactor

One day early in the summer of 1994, orientals and westerners were arguing in a conference room of the State Department in Washington. Their opinions were as distinctly different as their faces, and no success in narrowing these differences was realized. Although there were 20 westerners and 10 orientals, ostensibly giving the westerners only a slight majority, in reality it was a one-sided game of four against more than 30. The United States delegates from the State, Defense, and Energy Departments numbered over 20, and Japan sent over 10 officials from its Ministry of International Trade and Industry and Foreign Ministry. The Korean delegation consisted of four individuals, with representation from the Ministry of Foreign Affairs (MOFA), Ministry of Science and Technology (MOST), and the Korea Atomic Energy Research Institute (KAERI). Moreover, the Korean delegates did not know the agenda, and attended the meeting unprepared.

The meeting was proceeding in an orderly fashion, designed to reach the conclusion desired by the U.S. delegation. The conclusion was that "light-water reactors [LWRs] would be provided to North Korea, and the reactor type shall be a Russian model." That conclusion was an absurd one, in retrospect.

The Unprepared Conference Response

A few days earlier in the office of the director of the Nuclear Power Project Center of KAERI in Taedok Research Park, the director of the Nuclear Power Policy Division, who was in charge of KAERI's international negotiations on nuclear power including the liaison with the IAEA (International Atomic Energy Agency), explained to me the history of matters concerning North Korea. He then proposed that I should attend the working-level conference among Korea, the United States, and Japan to be held in the United States in three days. He vaguely stated that the conference was about North Korean nuclear reactors. Since supplying LWRs to North Korea was only rumored then, nobody anticipated that this conference was about such a "hot issue."

Having just returned two days earlier from a two-week business trip to the United States and France, I asked, "Do I really have to go?" I suggested that an expert in diplomacy should be sent, and I returned to my office. Two young researchers were waiting for me in my office. After they heard my story, both claimed, "The meeting sounds suspicious. You should really go." They even accused me of "abandoning official duty" and suggested that I should start paper work for the trip right away.

As a result, I ended up on an airplane headed for New York even before I recovered from the previous trip. We were not prepared for the meeting at all; it was only after arriving in New York that I met for the first time the MOST official with whom I would attend the meeting.

A storm was approaching New York and all domestic flights were canceled. Even trains were delayed several hours. We arrived in Washington, DC late on the eve of the conference.

I was at ease because I expected to serve only as a technical advisor. I was relaxed enough even to have asked a younger friend, who lives in Washington, to reserve a golf outing during the weekend.

We were worried as we entered the conference room. There were four of us in our delegation, which might have been unnecessarily too large. What should we do if the United States and Japan sent only one or two delegates?

Shock of Russian LWRs

We were first surprised by the size of the meeting when we found tens of participants in the meeting room. We were surprised again when the agenda of the meeting was explained. This meeting was in preparation for a United States-North Korea meeting scheduled for mid-July. North Korea was likely to demand support for light-water reactors as a price for freezing its nuclear project. The question of who pays for the LWRs would be discussed later (implying that South Korea and Japan must play a central role), and the meeting organizer was asking the participants how they felt about offering the Russian VVER reactors, if North Korea asked for reactors. Although the organizer stressed that there was no official decision about the Russian reactors it was the de facto official U.S. position, since the choice of the reactors was the joint opinion of the State, Defense, and the Energy Departments.

This unexpected proposal suddenly worked us up! Since we heard about the reactor issue only as vague speculation in the press, we were not aware at all that the negotiation between North Korea and the United States had progressed this far.

"What should we say? If the powerful United States has decided to push the Russian reactors, then we don't have much choice. What role could we play, then?"

All kind of thoughts whirled in my brain.

The U.S. intention behind its decision to offer the Russian VVER reactors to North Korea was very clear. From the U.S. standpoint, offering Russian reactors as carrots to block North Korea's nuclear development was a wonderful move. To Russia, whose economy is in a shambles, \$2.5-3 billion (Russian LWRs are cheaper than South Korean reactors because the former lack good safety devices—South Korean LWRs of similar size will cost approximately \$4 billion) is a great gift, and hence one can expect Russian help in solving the North Korean nuclear problem. South Korea pays, the United States plays the benefactor, and the troublesome North Korean nuclear problem is solved at the same time... Only the innocent South Korean public, who faithfully pay their taxes, will be fleeced.

The U.S. delegates' proposal to offer the Russian reactors was based on a simple logic. "In compliance with the American law prohibiting exports to hostile countries and the Atomic Energy Act, U.S. reactors and major equipment cannot be exported to North Korea. Hence, South Korean reactors, whose origin is the United States, also cannot be exported to North Korea." This logic implies that the South Korean-model reactor

is, in actuality, merely synonymous with the U.S.-model reactor. Since even the South Korean delegates themselves had no concept of what a South Korean-model reactor was at the meeting, it was natural that Americans did not know of the existence of the South Korean-model reactor. It was even more unlikely that they would recognize such a model as viable.

Fortunately, I knew something about the Russian VVER reactor. I first itemized the shortcomings of the VVER, and then insisted that the Korean Standard Nuclear Plant (KSNP) must be the reactor model to be offered to North Korea. The meeting atmosphere suddenly became heated after I spoke.

United States [delegate]: "I have never heard of a South Korean-model reactor."

Korean [delegate]: "We design it. We manufacture major components. We install it. Why doesn't that make it a South Korean-model reactor?"

United States: "Even if a South Korean-model reactor existed, its origin is a U.S. reactor, and hence the United States must concur [to export a reactor]. Since the United States is imposing economic sanctions on North Korea now, we cannot concur."

Korean: "U.S. approval is unnecessary."

United States: "That cannot be true."

Korean: "It is in the contract."

Japanese [delegate]: "Even we have to get an approval from the United States [to export a reactor]. How could South Korea not have to?"

France and Japan had to accept a contract condition that they could export only after obtaining an approval from the company that provided the [reactor] technology. This is why nobody in the meeting room believed that South Korea could have signed a contract that did not require prior approval of the technology provider. Even a Korean delegate sitting next to me kicked me under the table and seemed to suggest that I tone down.

When the meeting resumed after a break, I explained the content of the contract South Korea signed with Combustion Engineering (CE) in 1987. I explained that, at that time, the international market for nuclear power plants was a buyer's market, and hence South Korea was able to make a deal under such favorable terms. Unlike the initial reaction, both the U.S. and Japanese delegates seemed to think that this was not an absurd lie and deserved further clarification. The meeting was adjourned, and it was decided to meet on the following day.

The exact time of the next day's meeting had not been decided. My heart felt as if it were going to explode as I aimlessly waited at the South Korean Embassy thinking about many things. Jet lag deprived me of adequate sleep. How could I persuade the powerful United States, when even the embassy officials and the South Korean delegates do not know enough about the South Korean-model reactor nor what position the United States will take today? It is obvious that they will try to refute my argument. I can definitely win a battle only if I know them as well as I know ourselves. I know nothing about the strategy of the other side, and I am blindly waiting, without even knowing when the meeting will resume...

Pythagoras, Archimedes

A facsimile message came in at 1:40 pm. The message stated that the meeting would resume at 2:00 pm, and included a rebuttal from the U.S. delegation to my claim of the South Korean-model reactor. It took only 10 minutes to go from the South Korean Embassy to the meeting place. There was no time to study the rebuttal or hold a meeting [among South Korean delegates] to discuss our strategy. This was likely to have been a calculated move by the U.S. delegation. I stuffed the documents into my briefcase, grabbed the data just received from the U.S. delegation, and stepped into an elevator with the other delegates.

Although there was not much time, I plopped my briefcase against the holding bar of the elevator and began to read tiny letters as much as possible. As the proverb "go around if you are in a hurry" says, my briefcase dropped, spilling its contents on the floor. I managed to put the contents back in, but I lost precious seconds and the briefcase was broken.

While I was sitting in a car and waiting for processing to enter the State Department, I was busy reading the data and thinking about the logic with which to respond. This was too much for me. I felt all power drain from me and became limp in the elevator to the meeting room. At that moment, I really wanted to grab anything, even a straw. I felt as if it took 20 minutes to reach the meeting room—actually it took only 20 seconds—and finally the elevator door opened. When I saw the bright light of the meeting room, I felt a miraculous inspiration: the word "root."

The meeting began with a statement by the U.S. delegation. They refuted my argument of the previous day with all kinds of logic. Then, it was my turn. After a pause, I suddenly asked.

"You are claiming that the origin of South Korean-model reactors is the United States and hence South Korean-model reactors cannot be offered to North Korea

because it violates U.S. laws. This is why you want to offer Russian reactors. However, what is the origin of U.S. technology?"

Nobody came forth to answer this unexpected question. They seemed to urge me to continue to speak.

"The origin of U.S. technology is Europe. Do you know what the origin of European technology is? The origin of European technology may be traced back thousands of year to Pythagoras and Archimedes."

The faces of the participants began to show mixed reactions, such as confusion and curiosity.

"Technology developed slowly from all of our ancestors until it became basic science in France and Europe that could be applied to industry in the nineteenth century. In England, technology experienced a great leap called the industrial revolution. This tide reached a challenging continent called America, and full-scale industrialization was achieved. That technology reached South Korea belatedly.

"In this long process of technological progress, what is the basis or reason for the United States, which was somewhere in the middle of this process, to claim that 'We are the origin of the technology and hence you must follow our laws'? Is it because the United States is strong? Or, is it because the South Korean government yields easily?

"If technological origin is going to be claimed as the basis for the stipulation for following U.S. laws, then such a clause should have been inserted in the contract between South Korea and the United States. In general, this type of clause is expressed by requiring the approval of the technology provider when the technology recipient wants to sell products to a third country. However, not only is such a clause not included in the contract signed between KAERI and ABB-CE, but the contract also includes a clause allowing both sides to compete in exporting to a third country."

A U.S. delegate stopped me in a loud voice.

"As far as I know, the contract between ABB-CE and KAERI stipulates that U.S. export control laws apply. I'd like to hear your explanation."

This question was the one I prepared my answer for in the elevator on my way to the meeting room. I was smiling inside.

"Of course, the contract between South Korea and the United States includes a clause that 'products designed with the technology provided by the United States cannot be exported to hostile countries defined by U.S. laws.' It is clear that U.S. laws designed to prevent export to countries hostile to the United States were

designed to prevent sales of nuclear power plants to a country which is subject to economic sanctions by the United States without its approval. However, the United States itself now wants to offer LWRs to North Korea. Thus, how can the United States argue that it is awkward to offer South Korean-model LWRs?"

"It Is Not for Lack of Technology That We Do Not Manufacture"

The atmosphere completely turned in favor of my position. A Defense Department official—who was in his fifties, wearing glasses, and seated across from me with an unhappy expression that made me nervous—nodded this time. Someone in the corner began to say "no matter what, we must honor the law and contract," but did not finish because a person next to him interrupted him.

I finally administered a "coup de grace" to the dead atmosphere.

"According to the U.S. law established in the 1960s, four major components—pressure vessels, main circulating pumps, nuclear fuel handling equipment, and control rods—can never be exported. Yet, this is really strange. This law was effective back then because only the United States could manufacture them at the time. Now, 30 years later, the situation has changed. For instance, South Korea by itself fabricated pressure vessels, imported main circulating pumps from Germany, and bought nuclear fuel handling equipment and control rods from the United States. We import these components not because we don't have the necessary technology. Rather, because they do not represent important strategic technology, we buy them at a low price and use them. If the United States really cannot export them, then we will either fabricate them ourselves or buy them from other countries. I don't know whether U.S. companies would appreciate us buying them elsewhere..."

I am sure my story hurt the American's pride. Americans always have to be at the top, and my words must have been unpleasant. That was, however, the cold reality. The participants began to pack their documents, and became restless. The U.S. delegation covered up their uneasiness by declaring "we have not prepared well. Let us meet again in two weeks after more consultation," and ended the meeting.

As I was flying over the Pacific, I became overcome with grief. How come South Korea has four different models of nuclear reactors unlike any other country in the world? South Korea tried to please everyone by buying this and that and became a loser. In return, some gorged on "the sweet stuffing of the cake," not just crumbs [reference to the political corruption and

bribery scandal exposed in South Korea)... We finally managed with our own hands, after endless hardship, to design a South Korean-model reactor, and are building its first-fruits, the Ulchin Reactor Nos. 3 and 4. Again, we are about to be forced to accept a fifth reactor model on the Korean soil.

Although I spoke loudly even citing Pythagoras and Archimedes in front of the Americans and Japanese, I was not confident. These kinds of big issues are eventually decided politically by powerful countries, and I was ashamed of myself that we might end up with the Russian reactors. I couldn't help become frustrated.

Part II. Repercussions of My Dismissal

My despair and tears over the Pacific transformed into a desire to meet the challenge when I returned to KAERI and saw young researchers working hard to design the South Korean-model reactor. First, with colleagues and young researchers, I prepared materials to brief the Chongwadae [presidential offices], working four days and nights. I was convinced that the surest way to solve this issue was to convey to the highest authority the fact that there were no technical and legal problems in proving the existence of a South Korean-model reactor and offering it to North Korea. I looked for any faint acquaintance working in the Chongwadae because I knew it would take months had I followed a normal channel of command for decisionmaking. Fortunately, a classmate of mine arranged a meeting for me with presidential assistants.

July 9, 1994 was an unusually hot day. I put on my most respectable suit since this was my first visit to the Chongwadae. I explained to five to six presidential assistants about the South Korean-model reactor while standing in front of a chart with the conceptual design of the reactor. Young presidential assistants listened to me in a sincere manner. Eventually, they invited me back to the Chongwadae soon afterwards for another briefing, and the message about the existence of the South Korean-model reactor was conveyed to the President. I would like to take this occasion to thank the presidential assistants for their help.

However, the first briefing at Chongwadae ended unsatisfactorily. Someone rushed in, and announced that "Kim Il-song has died." That was the end of the meeting. Like a flock of chickens running in all directions when someone casts stones in their midst, the meeting was abruptly adjourned.

Activities of National Assemblyman Yi Chol

I left Chongwadae utterly bewildered, and sank into deep thought while sipping milk instead of lunch in a bakery. Luckily, there was a public phone. It reminded

me of National Assemblyman Yi Chol, and I lifted the handset of the telephone.

He may not remember, but I had an encounter with him a long time ago. In 1973, Assemblyman Yi Chol was hiding because of his connection to the League of Democratic Students [dissident student organization during the Pak Chong-hui regime]. This was almost 20 years ago. I was living in a rented room. One day, a young colleague rushed in, and asked for all the money I had. He explained that Mr. Yi Chol was hiding in this neighborhood, and he needed money to run away.

I had over 30,000 won left out of 40,000 won I earned from a part-time job. I gave all I had to the young colleague without a word.

At the time, Mr. Yi was a "serious offender," and anyone found to be hiding him or giving him money to run away would surely be taken to Yongsan or Sobinggo [Korean CIA safehouses]. Later, I had an occasion to ask for help from Mr. Yi on the South Korean technical independence on nuclear power, using this episode as an excuse.

Mr. Yi's secretary told me that Mr. Yi was busy that day and he had a dinner appointment. I was disappointed and did not hang up right away. Then, I heard [Mr. Yi] telling the secretary to hand over the phone. He seemed to have heard my name. When Assemblyman Yi asked me why I had called, I explained what happened that day, adding that I came to Seoul on business and was not happy, though my concern was not urgent. To my surprise, his response was very positive. He told me that he was scheduled to question the government [in the National Assembly] the following day.

I informed him in detail about the negotiations in the United States, the American position, and South Korean government's lack of interest as much as I could. The shocking news of the Russian VVER reactor was broadcast to the public the following evening. Of course, newspapers published bold headlines about the reactor issue. When reporters asked Assemblyman Yi about the source of his story, he telephoned and asked me if he could divulge the source. I asked him, "If I lose my job, will you feed my family?"

Now for the first time, I am admitting that I was the informer to Assemblyman Yi Chol. At the time, when the reactor issue became hot in the National Assembly as well as in the press, the question of the source was raised, and some suspected me a great deal. However, I had no choice but to keep my mouth shut. Some had hunches, but there was no hard evidence. Innocent participants [of the U.S. meeting] had also become suspects.

Is it a South Korean Model or U.S. Model?

Instead of implying an indigenous Korean product, "Korean model" implies some degree of imported product. Home appliances have experienced a wave of Korean models, such as the Korean-model microwave oven that emulates the taste of Korean earthenware cooking and the Korean-model vacuum cleaner that can also do wet mopping. Weapons also have Korean models, such as Korean-model tanks. Although the original technologies for these products were imported, they were adapted to the Korean situation.

Now, everyone accepts the proposition that South Korean-model LWRs will be offered to North Korea, but earlier there were many parties who denied even the existence of a South Korean-model reactor and tried to obstruct. I could certainly anticipate that the Americans and Japanese would refuse to recognize South Korean-model LWRs, but I also have the sad memory of some domestic parties who refused to accept the South Korean model. These "slandering" activities occur occasionally, even now.

The phrase "South Korean model" used in the "South Korean-model LWRs" clearly does not imply an indigenous [invention]. However, it is technically and legally an obvious fact that we have modified the reactors with South Korean technology to match the Korean environment.

Those Who Slander "South Korean-Model LWRs"

In the summer of 1994, when I returned from the working-level conference among South Korea, the United States, and Japan, I prepared data to explain the existence of the South Korean-model LWR and the justification for selecting South Korean-model LWRs to supply to North Korea. I pondered for a while about the title to be used for the report being prepared. The correct name—that is, the academic term for the so-called South Korean-model LWR—is the Korean Standard Nuclear Power Plant (KSNP), and this term had been publicly used in international research journals for some time.

The chief of KAERI's Public Information Division came by, and I asked him for advice. He gave me an unexpectedly simple answer. "The phrase 'South Korean model' is already used widely in home appliances, and it also counters the phrase Russian model. I suggest the title South Korean-Model Standard LWR." Among many terms—KSNP, South Korean Standard Nuclear Power Generating Station, South Korean-Model Standard Nuclear Power Plant—we adopted South Korean-Model Standard LWR, and the press shortened the term

to South Korean-Model LWR [hanguk-hyong Kyong-suro].

As soon as the report was ready, some began to criticize it. A senior leader of an engineering association contributed an article to many press agencies questioning, "How can we insist on a South Korean model in view of our technological level?" A newspaper pressured a company president, who also was an acquaintance of mine, to write a harsh criticism of an interview with Han Pil-sun, who was the president of KAERI and the main actor in the development of the South Korean-model reactor.

KAERI's reaction was that these criticisms did not deserve a rebuttal, and this made the chief science reporter of the newspaper uncomfortable. He asked us to provide proof for the existence of the South Korean-model reactor. My guess was that he would be forced otherwise to write an article denying the existence of the South Korean-model reactor.

It was a Saturday afternoon, but we collected and sent by facsimile tens of pages of data that included technical background of the South Korean-model LWR, content of contracts, and special articles on the KSNP in an international journal.

Eventually, the science reporter was able to prove the correctness of his article [accepting the existence of the South Korean-model LWR], and that newspaper did not publish any slandering article. However, a few other newspapers published the criticism as a contributed article, and later editors had to excuse themselves by awkwardly claiming, "that was a contributed article, and hence does not reflect our own views."

Even if we were insisting on the South Korean-model on shaky grounds, the situation at that time was in our favor, supporting our claim and giving us encouragement. Nevertheless, some people continued to criticize us. Some even doubted our technical competence, providing an excuse for North Korea to claim that South Korean-model LWRs were unreliable.

I could not understand such an attitude, which made me very sad and anxious. The legal and technological reputation of the South Korean-model LWR is at present well established internationally, but I am still at a loss to understand why those elder leaders acted in the way they did at the time.

Dismissal Without Reason

When I went to work as usual in the morning of 19 July 1995, just before 0900, I was told that the KAERI president wanted to see me, and I went to his office. I was expecting routine administrative matters, but I was

told "I am sorry, but I will have to relieve you from your administrative duties." At first, I did not understand the significance of the sentence, and I could not respond. Although personnel decisions are the prerogatives of the president, I could not help being surprised because this is not the time for regular rotation of administrative appointments, and there was no reorganization or new positions to fill.

When I asked for the reasons for my dismissal, I was told "not to ask for the reasons." I protested that "although I accept that you have the right to make personnel decisions, I would like to know the reasons for your action. I cannot accept your decision in my heart." The president said "whether you like it or not..." but did not finish his sentence.

At that moment, his phone rang. From his conversation, I guessed that he was talking about me. "I am in the middle of it. There are easy things and hard things in life. This is not that simple. I will be finished shortly." This was the outline of the conversation, and my guess was that he was talking to a certain high-level MOST official.

While I was gathering my thoughts back in my office, that MOST official telephoned me. I was scheduled to meet him that day, but he wanted to cancel the meeting because of an unexpected event. He was the one who wanted to see me in the first place. Why was he canceling the meeting? Something needed an explanation. I learned from the Public Information Division that they were told not to let the press know about my dismissal.

When questions were raised about my dismissal, KAERI distributed a press release indicating that the personnel action had been planned for some time and had nothing to do with the press reports on the South Korean-model LWR. However, the press unanimously claimed that there was "outside pressure." I also had some hints. In retrospect, there had been several precursors that predicted my dismissal. I believe that there was outside pressure. More concretely, I believe that if that pressure was traced back to its origins, it came from CE [Combustion Engineering] of the United States.

From CE's standpoint, it is clear that I was a thorn in their side, for everything I did was against CE's interest. I was the "ringleader" who led the very first KAERI design team, went to the United States, and snatched away all of their critical technology in spite of all kinds of obstacles put up by CE. Also, in the matter of LWRs for North Korea, I led the assault that reduced the share of U.S. reactor manufacturers.

There had been many conflicts between myself and CE. It was when we were negotiating about switching the instrumentation and control system from the existing analog method to a new digital method. This new technology had not been verified, and we were not able to digest it by ourselves. At that time, there were two products in the world market, the Nuplex 80+ system from CE and the N-4 control system from Framatom of France.

When we asked for a quotation on the Nuplex 80+ system to install it on the Uichin Units Nos. 3 and 4, CE demanded \$240 million. I estimated it to be about twice the reasonable price. Even then, CE rejected our request that they absolutely assure its dependability. We were being asked to pay an outrageously high price, and yet serve as a testbed for CE's new product. Although our common sense told us that it was easier to import CE's new technology because the Korean reactors' original design was based on a CE product, we had to choose a competitive purchase.

To adapt the N-4 system from France, we had to do some design changes. Eventually, we negotiated with the French manufacturer, and the connecting parts were designed by 20 Korean engineers and seven to eight French engineers.

When this happened, CE, which had been leisurely watching us from the side, suddenly became interested. In the end, CE last year proposed \$140 million for their digital systems at the bidding for the Yonggwang Units Nos. 5 and 6. The \$240 million price tag of 1990 dropped by one-half, taking the inflation into consideration. For CE to secure their profit in Korea, their first priority had to be to get rid of me.

Now, CE does not even deal with me. They used to be so friendly to me, but now, they do not even say hello to me when they visit my colleagues next door to my office. It is clear that I am at the top of CE's black list.

My common sense also tells me that the United States Government would consider me a pest because I always tried to diminish the U.S. interest in matters such as the program coordinator (PC) or CE's role, even after the United States Government gave up on the Russian model and pushed through the South Korean-model reactors. (The Program Coordinator is an American supervising company defined in the United States-North Korean agreement on LWRs—editor.) The pressure from the domestic group friendly to the United States together with the South Korean Government standpoint's position resulted in the personnel decision to "dismiss" me from my administrative position.

Abusive Language at an International Meeting

A diplomat using abusive words in an international meeting is committing a major blunder. One cannot imagine foul words from such gentle and well-mannered people.

In early 1995, I received a warning from the foreign minister through KAERI's president. The minister warned me never to repeat the offense of cursing in Korean at a meeting with U.S. delegates.

I tried hard but could not remember when I used dirty words on such an occasion. Since I just came back from a meeting in the United States, I asked those who had went with me to the meeting. One of them said that, though he himself did not hear, he heard the MOST officials on the airplane back from the meeting talking among themselves. They said that they heard Yi Pyong-ryong cursing in Korean, and he should not be let go unpunished. Then, I could vaguely remember what happened.

In early January 1995, a heated argument was going on among the South Korean, U.S., and Japanese delegates about the role of the PC and its scope in the project to supply LWRs to North Korea. Although we opposed the PC, we had to accept it once it was decided to have it. The only thing we could do was to minimize the PC's role and scope and prevent the tricks played by a certain U.S. company.

The United States insisted that 50 people and a \$10 million per year budget must be guaranteed for the PC. Fifty engineers can design almost anything, and it was obvious that this size implied an intention to go far beyond simple technical consultation. We countered that 12 people and \$2.2 million per year should be sufficient. The meeting was adjourned after deciding to meet again the following day.

It was the fourth day of the meeting, which was originally scheduled to take only two days. As they often did, the Japanese delegation did not attend, with an excuse that "we did not receive instructions from our government." This was a kind of boycott. As a result, the meeting was downgraded to an unofficial discussion meeting.

Before attending the meeting, the Korean delegation had decided that although we would agree to the establishment of the PC, we would minimize its scope. As a negotiating strategy, we would discuss the merit of the PC itself, and then yield to accept it with the condition that its personnel size be limited to 12 with an annual budget of \$2.2 million.

Every negotiation should have hidden cards. Each side should yield a little, and look for a common agreement. This is common sense. Accordingly, it is important not

to show the last card. We promised ourselves to stick to this scenario, and then went into the meeting. We would try our best to reduce the role and scope of the PC.

When the meeting started, however, I could not help getting disappointed in the diplomatic tactics of the Korean delegation, for I could clearly see the Korean delegation fall into the traps set by the U.S. delegation. Without realizing it, the Korean delegation had accepted the PC itself as a fact, and we had revealed our last hand of 12 people and \$2.2 million, although we had promised ourselves to offer our hand as a package deal. Since I could never accept the PC itself in my heart, I really felt like a tall wall was crumbling down [everything was being lost].

To calm myself, I went outside and smoked a cigarette, but my throat became dry instead of clearing my mind. I returned to the meeting, and asked to speak. I spoke about the importance of the North Korean LWR deal, significance of the North-South dialogue, and obstacles for the PC. The room was large enough for 40-50 persons, but there were only around 10 people, making the atmosphere unfocused. Moreover, the U.S. delegates paid no attention to what I said.

They pretended to look at me when I stopped talking, but when I resumed talking, they resumed whispering to each other and destroyed the atmosphere using hand gestures and body motions. I remember putting down my pen on the table, and mumbling "aren't you listening to my talk?" This mumbling in Korean was the reason for the warning from the foreign affairs minister.

Great Diplomats, Successful Diplomats

It is said that in the ROK foreign affairs arena, there is a code phrase, "DC School." Of course, DC means the U.S. capital Washington, and this phrase can perhaps be translated as "Washington school for diplomats." This phrase, however, implies a sad aspect of Korean diplomacy.

"DC School" means to educate—no, to actually train—foreign diplomats stationed in Washington so that they will represent U.S. interests. In an extreme sense, the phrase means to make foreign diplomats into pupils of the DC School.

In essence, diplomacy is an intense battle for information. To get information, one must know the host country well and befriend its government officials. When a diplomat becomes an obstacle to the interest of the United States, or commits an irritating act, the American DC School immediately goes into action.

One example is to completely cut off the offending diplomat from information and to isolate him. As a

result, the diplomat becomes incompetent, and a U.S. official will call a high-level official of the diplomat's home country. After lengthy praise for the diplomat, the U.S. official will apply gentle pressure by saying "However, this otherwise able diplomat has some problem in cooperating with us. It will be better to leave him out in our dealings."

In this way, the diplomat will have a serious dark spot on his performance record, and is likely to be eventually shunted to insignificant posts. On the other hand, a diplomat who listens carefully to the lectures of the DC School and maintains a good relationship with Americans will climb up the ladder of advancement as "a successful diplomat." It is said that the teachings of the DC School are more effective the more underdeveloped the diplomat's country. Where does Korea fall?

The United States does not dare use this trick on Europeans. When Americans target a Japanese diplomat in this way, it is said that the Japanese colleagues protect the targeted diplomat. Eventually, the targeted diplomat will get more important assignments, and will advance faster.

Since I mentioned Japanese diplomats, I would like to introduce my own experience. During the ROK-U.S.-Japan meetings, I was very surprised by the profound knowledge of Japanese diplomats on nuclear power. They knew not only difficult technical terms, but also rather specialized technical information. I asked them if they were employees of research laboratories or officials of the Science and Technology Agency. They were professional diplomats.

My puzzle was resolved later. All Japanese diplomats who participated in the meeting spent three months at the Japan Atomic Energy Research Institute (JAERI) receiving special training. Sometime ago, KAERI also offered to the officials of the Ministry of Foreign Affairs, "Please come to KAERI for one week and let us study together. We will pay all your expenses." We were snubbed, "In this busy world, who has the time to listen to complicated lectures for one week?"

That was not all. I sensed that some Japanese officials were on call day and night in Japan during the Washington meeting. Most documents submitted by the Japanese delegation had facsimile markings on top indicating that they were sent from Japan at 0200 or 0300 am their time. The thoroughness in exchanging information with the home office in spite of the time difference is also clearly demonstrated in the following episode.

Since the main actors of the ROK-U.S.-Japan meeting were us and Americans, the Japanese delegation was put in a position of being the third party. Hence,

the Japanese delegation usually took sharply different positions from those of Korea and the United States. Once, there was an argument between the Japanese and U.S. delegations.

While they argued strenuously for 30 minutes, I felt that the Japanese position was more logical. The U.S. delegation, while conceding their weakness, still kept rebutting. Finally, a U.S. delegate claimed, "Your story seems to be correct, but there is no such precedent in the global diplomatic history."

As is in legal proceedings, "precedents" seem to be important in diplomacy also. While I was thinking that "logic cannot supersede precedents," a Japanese diplomat pulled out a document from his briefcase after searching for a while. He proudly hoisted the document and said, "The document I have here deals with exactly the same situation as the one we face now. This is a treaty signed in the 1940s between the United States and Panamanian governments." When he said "I will make a copy for you," the U.S. delegates had nothing to say.

Japanese diplomats face the superpower, the United States, in a dignified manner during negotiations. If they think a matter is illogical or unjust, they request a recess in the middle of a conference, and create an atmosphere that cannot be belittled by huddling themselves for as long as it takes. A diplomatic masterwork is created when a diplomat boldly brakes the opponent's one-sided handling of negotiations by claiming the lack of instructions from the home government.

Part III. Conflict With Combustion Engineering

I left my job at a private company and moved to a national laboratory neither for any special sense of duty nor a grand dream. The reason I moved from my first job, which paid well with rapid promotions, to a national laboratory [KAERI] was my choice between dealing with people for the rest of my life and working with books. My first salary at KAERI was less than 60 percent of the salary at the private company. That was the price I had to pay to stay close to my books.

One day, I was told to take charge of a project to design a critically important system in a nuclear power plant so that South Korea could be independent in the nuclear power technology. I came [to KAERI] to study, but I was being asked to get involved in a business project. I preferred to stay in a research department, but the laboratory's management tenaciously asked and persuaded me. Eventually, they unilaterally appointed me as the leader of a group to design the fluid system with five group members. This was my first connection to the South Korean-model LWR.

Our first assignment was to prepare an Invitation To Bid (ITB). This ITB was totally unlike those one sees in newspapers. The ITB was almost like a technical report. We had no idea how to prepare technical information that amounted to a total of 1,000 pages.

We rented a room in Yusong [a district in Taejon] and worked for two months. We were bold men, rising up to a challenge we had never faced before.

In the beginning, we were eager and full of confidence. However, fear overwhelmed me once I was in charge of the designing. My gut shrank to a pea size [scared]. The first problem I sensed was that our researchers thought they knew a lot. Our weakness was that we thought we knew everything because we all had master's or doctorate degrees. I thought we should study very hard about the new area of designing a nuclear power plant. We volunteered to become students and joined the Kori Training School [Kori is the site of the first nuclear power plant in Korea] operated by the Korea Electric Power Corporation [KEPCO].

We lived in the dormitory for laborers. The dormitory had cheap vinyl floor and was in a construction area. We learned through all means, taking notes, memorizing, and discussing. To serve as a model, I also joined them, listened to lectures, and took tests. After this, we spent one month at the construction site of the Ulchin Nuclear Power Plant Nos. 1 and 2 to gain experience.

Finally, we finished our preparation in Korea and were ready to leave for the United States for the actual design work. On the morning of 10 December 1986, which was Wednesday, there was a breakfast meeting which also served as a departure ceremony at KAERI's guest dining room, attended by the KAERI president, Han Pil-sun, and other key managers. President Han reiterated his emphasis on dwindling fossil energy resources, the energy crisis, independent nuclear power technology, and securing the Korean people's right to survive.

He emphasized, "Independence in nuclear power technology is a mission we must accomplish for energy independence, on which our survival depends."

This was president Han's conviction and philosophy. We were "brainwashed" by him, and we all shared his conviction.

Suddenly, president Han proposed to give three cheers. "Hurray for the technical independence of nuclear reactor system engineering!"

I thought cheers were given only for the "independence of Korea..." and we felt childish. Then, president Han smiled as he said, "When it is necessary, we can be

naive." Hurray for the technical independence of nuclear reactor system engineering!"

Worst Meal in My Life

In 1983, the project to domestically manufacture nuclear fuel for heavy water reactors was almost completed. I was given the task of preparing a report that evaluated experimental results on pressure reduction, wear resistance and other experiments before the domestically manufactured fuel was to be used in a nuclear power plant. To carry out these experiments, I had to stay in Canada for several months, but my mother was seriously ill.

[Passage omitted about the author learning about his mother's death on the day he invited John Barclay, the chief secretary of Atomic Energy of Canada, Ltd. (AECL), for a farewell dinner on the eve of his departure from Canada. The author kept his dinner appointment, and told Mr. Barclay about his mother's death the following day. This incident made the two close, and Mr. Barclay helped the author later in many occasions.]

To Windsor, a Totally Strange Land

There was almost an army company-size group on the Korean Airlines flight to New York on 12 December 1986. There were 51 researchers from KAERI—all determined to establish independent design technology for the reactor steam supply system—and their families, a total of 76 persons led by me, acting as a company commander.

In the 1960s, our forerunners went to West Germany to work as mining laborers and nurses. In the 1970s during the construction boom in the Middle East, hundreds of Korean laborers were on airplanes headed there. At that time, they went overseas simply to earn hard currency. But our group's trip was a large-scale overseas journey with a profound dream of achieving technical independence. This was proof that Korea had become strong.

Bitter cold weather of -15°C was waiting for us at New York's JFK airport. Over 80 percent of our group had never been to the United States, and this was the first test of our will to fight the bitter cold and loneliness that resulted from being in a strange land without familiar houses and temples.

Windsor is a small town in Connecticut, about the size of Yusong in the 1970s, before the research laboratories and the Taejon World Exposition moved in. Windsor, however, was established in 1636, making the town equivalent to Korea's old, rich towns for the nobility.

For this reason, Windsor had many high-class businesses, such as financial institutions and research laboratories. The headquarters of CE was also in Windsor.

[Passage omitted about the economic hardship during their stay in Windsor. The author had to haggle rents and health insurance premiums for the Korean researchers he had led.]

Kind Medical Doctor

[Passage omitted about a kind Korean-American doctor. The doctor looked after the children of the Korean researchers free of charge, because many young Korean researchers could not afford to pay the steep health insurance premiums.]

Most of us had adapted to American life, and my family also joined me. We signed a contract with CE to transfer technology, and we underwent technical training for a few months as the first step. We were then to proceed with the system design for the Yonggwang Reactor Nos. 3 and 4 together with the CE staff. This was the so-called joint-design: a unique form of contract introduced by the then-president of KAERI, Dr. Han Pil-sun, to achieve independence in LWR nuclear fuel design technology. This contract was almost a farfetched one from the standpoint of a foreign company.

It is more customary to just stand aside and learn during the first contract, and then slowly transfer technology during the second and third contracts. Since a reactor takes 7-8 years to build, it would take forever for Korea to achieve technological independence had we followed the customary way. This is why Dr. Han had forced foreign companies to accept his method of learning while directly working on a reactor project, counting on Koreans' unique fighting spirit and outstanding brains.

Following this KAERI policy, we could not help to go forth with heroic resolve. We all felt that we could not return to KAERI without having digested the critical technology, especially after having shouted three cheers with Dr. Han before we left. Whether or not Korea would continue to slave under foreign companies for nuclear energy technology would be decided by our team effort. This awareness filled us with a sense of duty.

CE's attitude, however, was totally unexpected. They did not seem at all to be wary of 50 Korean young men who were sent to take CE's technology. I found out the reason soon; it was because of a report.

Koreans Need Not Be Watched

After CE signed the contract with South Korea, it commissioned a U.S. company to survey precedents in technology transfer between South Korea and the United

States. I obtained a copy of the survey report by chance, but I could not finish reading the report because I was overcome by anger.

"Most Koreans who come for technical training are more interested in reporting to Korea that they had received good training, rather than actually getting trained."

"The main interests of Koreans are shopping, traveling, learning English, particularly English training for their children, etc."

"Japanese [trainees] continue to work even on long weekends and holidays if they have work to be done, while Koreans do not miss any holidays, be it Korean or American holidays."

I was ready to strangle the author of the report. However, I realized that there must have been such incidents, even if only a small few. We all reflected on this, and reaffirmed our resolve.

The first item to avoid was to become mental slaves to America. We had to avoid falling into a vague defeatism that regarded most American ideas as right and Korean ideas as wrong.

I also stressed that we should not be ashamed of our poor English. Language is a mere tool to transmit ideas, and it is wrong to use it as a yardstick to measure the depth of one's knowledge. I asked [my men] not to try to perfect their English; rather they should concentrate on simply being able to use it. In meetings, I often intentionally ridiculed those who spoke good English.

Instead, I emphasized the superiority of 5,000 years of Korean history and our epochal sense of mission. In the face of the reality that Korea had to import most resources including petroleum and one-third of its drinking water, Korea is a country that can survive only by earning foreign currency by selling something.

In the past when Korea's labor cost was low, the foundation of Korea's economic growth rested on selling [cheap] labor. However, now is an era of technological competition, and we must win somehow by competing in technology. Until now, we did not have any technology to build nuclear power plants, and hence we had to depend on foreign countries. Let us compare the devotion of Korean engineers building nuclear power plants in Korea and their devotion when they build one in an underdeveloped country in distant Africa. This is exactly the same reasoning as in the case of foreigners building a nuclear power plant in Korea. Which case would be more adapted to the Korean situation and more careful

about the safety of people? We must achieve independence in critical technology for nuclear power plants by all means.

While we were discussing these points, most researchers became tearful and clenched their fists. It is said that a person becomes a patriot when he/she goes to a foreign country. I recall now with wonder how I managed to spell out these honorable arguments. I believe that I was simply speaking for our team members, whose inner thoughts were somehow transmitted to me.

Most Serious Gambling in My Life

Often one compares life to gambling. There is always a crucial moment in one's life, similar to the case of deciding whether to give up courageously while holding the last hidden card in a poker game, or to raise the ante and grab a fortune. In my case, my most serious gambling in my life was the game I played against the giant multinational conglomerate, CE, in its headquarters in Windsor.

In mid-April 1987, our short training for technology transfer was coming to a close. In May, the contract for Yonggwang Units Nos. 3 and 4 was to be signed, and we were supposed to begin actual design work for the reactors. We were negotiating back and forth with CE how to share the actual design work. The contract stipulated one-on-one [equal partner] joint design, and CE was to transfer all relevant technologies, but we did not expect CE to transfer their technology so easily.

CE proposed to assign 21-22 percent of mainly simple tasks to us. When I saw their proposal, I almost fainted. If we were to achieve technological independence, we should be able to carry out more than one-half of the tasks, including critical technologies. What was offered, however, was about 20 percent of insignificant work. Even if I succeed in a skillful negotiation and increase the assignment by 50 percent of what was proposed, that would still be merely one-third of the total work. I was totally disappointed. I felt like I was facing a tall brick wall. We were simply going to run errands for CE and help them make money...

After consulting [Korean] team leaders, we composed our proposal which offered to carry out about 50 percent of the tasks selected from critical areas. When CE saw our proposal, they were nearly astonished.

"Mr. B. R. Yi came to block our project for Yonggwang Reactor Nos. 3 and 4."

The atmosphere, which had been friendly until then, suddenly became very chilly, and CE began to treat me as if I were a gangster or satan. They insisted that we were trying to wreck the project because

37 fresh, inexperienced Korean engineers (the actual number of engineers involved in the reactor system design, excluding administrators and engineers engaged in nuclear fuel design) were going to be responsible for 50 percent of critical technologies, while 130 CE engineers with an average experience of 19.5 years were to work on 50 percent of the tasks, mostly insignificant ones. CE could not help suspect what my true intentions were.

We had no other choice, however. CE's proposal was logical, while our claim was almost absurd. Nevertheless, we stood fast because we had come with a national mission which cost us dearly. How can we achieve technological independence if we misstep from the beginning? With this thought, we did not yield.

After two weeks of bickering, we had already abandoned any type of decorum, and we began to recognize this struggle as a matter of life or death. Although CE was wary of transferring technology to us, this negotiation directly affected their profit because they had to honor the contract with KEPSCO. Finally, CE began to threaten us.

"Mr. Yi, we are not simple merchants. We have many close friends in Chongwadae, the KCIA, MOST, which is your superior, and KEPSCO, which ordered the reactors."

This threat implied that they could have me recalled if I did not cooperate. The situation has reached a stage that no logical solution could be found. It came to a point that I had to make a very important decision.

Wife Provides the Answer

That night, I tried but failed to write a report describing the situation to the KAERI president, the science and technology minister, and the energy and resources minister. On the other hand, I also thought that CE could have already contacted Korea in such a way that my letter would simply become a laughing stock even if it were delivered.

This was when my son was 7-years old and my daughter was 8-years old. I became very sad when I recalled the faces of my children and my wife, who were sleeping in bedrooms upstairs. If the CE plays tricks and I lose my job, what will happen to my family...

Time passed, and it was close to dawn. The noises I made woke my wife, and she came down to the living room, asking me what was the matter. I briefly explained our situation to her, and lamented to her that I could not continue to work at KAERI if I had to back down and return to Korea.

"You are a fool. You didn't behave like this before."

"You always praised Admiral Yi Sun-shin, who lost his life serving the country, but you are not going to lose your life to save the country. Didn't you proudly promise to do something [for the country] without killing yourself?"

"As you said, this is not going to kill us. You are simply going to lose your job. As for our livelihood, we can either run a mom-and-pop grocery store or become vegetable peddlers, since we are both healthy. Don't you think the four of us can survive?"

My wife provided the answer. My wife's words made me feel really great, like the advertisement for a certain constipation drug had claimed. I jogged earlier than usual, took a shower, had a hearty breakfast, and went to work with great feeling. This was a Wednesday in April.

When I called the secretary of a CE vice president for an appointment, the reply came in less than 10 minutes.

"Please sit down, Mr. Yi."

"I don't have to sit down. I will finish quickly and go."

"If our proposal to carry out 50 percent of critical design work is not accepted by Friday, we will refuse to come to work all week next week. If you still refuse to accept, then we all will go back to Korea."

"I submitted my proposal because we came here to achieve technology independence. This means that we did not come here to help you make money."

When I finished my words, I walked out of his office, watching his light face become pale. I felt much better when I returned to my office. I had not contacted KAERI on our proposal, but I was ready [to accept the consequences]. After lunch, I went out to a highway and drove fast without any particular destination.

"You Won"

On Thursday, CE looked like it was under an emergency. Senior staff members were out of their offices all day long attending meetings. On Friday morning, the CE vice president suddenly entered my office without an advance notice.

"You won."

I won! This means the giant CE lost to me. Actually, I felt a cold chill creep down my spine.

"Congratulations. However, we have some conditions. We will accept your proposal only for three months. Whether we will continue to accept will be decided then."

CE's proposal to try out for three months clearly underlined their hidden belief that "you will not be able to carry it out."

When I explained the whole process to my team members, they were happy, but somewhat doubtful.

"Our insistence is more than a little illogical. Proposing to let 130 highly experienced engineers carry out 50 percent of insignificant work while 37 inexperienced engineers take responsibility for 50 percent of critical parts is almost absurd. However, our success or failure in attaining independence in nuclear power plant technology was decided through this action. If I could do it all by myself, I would be willing to work for three months without sleep. However, the reactor system design is something we have to do all together. Let us meet this challenge head-on with pride."

While I was talking, many flashed determined looks in their eyes; some were moved to tears.

The efforts of our team members thereafter were close to that of a deadly struggle. If we could not carry out our responsibility in three months, we all either had to become CE's errand boys or pack and go home.

As time passed, miracles happened. Once in a while when I woke up in the early morning hours, I went to the office, which was only 10 minutes away, and I could see some Korean researchers working with lights on [in their offices].

A researcher complained to me that his CE partner was treacherous. When he finished in one week an assignment to be completed in two weeks and asked for the next assignment, his partner refused. The work schedule had to be balanced and carried out in a certain order, but this researcher seemed to have been too eager to finish his assignment.

All of them worked very hard in this manner. Even before the three-month deadline was reached, the atmosphere changed completely. I acted as if I was gambling without even peeking at my cards, but my hidden card was a great success. My hidden card was really the product of all of us. By the time I had to show the pattern and the number on my hidden card, I was able to go around with pride. This was exactly the starting point of the present-day South Korean-model standard LWR.

Three months passed, and as we approached six months, our work load actually increased. Toward the end, we were responsible for over 70 percent of the work, leading to the tragic result that CE had to lay off a large number of their staff. Although I was very sorry for the CE staff who lost their jobs because of the technology-hungry Korean researchers, the most serious gambling

in my life had succeeded with the help of all [of my team members].

My Dream, My Wish

The most serious matter to consider after having decided to design and build the Ulchin Reactor Nos. 3 and 4 was the liability. In the case of the turn-key method for South Korean nuclear power plants, foreign companies, such as Westinghouse, had final responsibility for everything. As a price for the warranties, such as for performance, safety, and freedom from defects, we paid a huge sum of hard currency to foreign companies.

To achieve independence in the reactor system design technology, which is the most critical component in the nuclear power plant technology, a foreign company and South Korean engineering team jointly designed the Yonggwang Reactor Units Nos. 3 and 4 on a one-on-one basis. Although the reactors were designed jointly, the final liability rested with CE. This meant that the design work was not a true joint design, and the Korean technology was not truly independent.

To make a long story short, we were liable for and provided full warranties for the Ulchin Reactor Nos. 3 and 4. On the cover of the design documents for the Yonggwang Reactor Nos. 3 and 4, KAERI signed as the author of the documents, while CE signed its approval. In contrast, the documents for the Ulchin Reactor Nos. 3 and 4 were written and approved by Korea. We should be very proud of this fact. This was a wonderful success story proudly displaying the technological leadership in the nuclear power industry 18 years after the commercial operation of the Kori Reactor No. 1 started in 1978.

When I returned from the United States, I was appointed to be the leader of a project to standardize power reactors, a work commissioned by KEPCO for which nobody wanted to take charge. At the same time, the KAERI president unofficially told me to prepare the system design for the Ulchin Reactor Nos. 3 and 4. While carrying out these two assignments, I made up my mind that the Ulchin reactors would become the first South Korean standard power reactor. Of course, this decision was based on the premise that we should also be liable for everything.

However, many people had the opinion that the final responsibility should be borne by a foreign company. The reason was that a nuclear power plant represented an investment of 3.2 trillion won (\$4.26 billion), no accident could be tolerated, and hence one had to proceed very, very carefully.

Developing a new machine or a better semiconductor can be achieved by learning from failures. However,

a nuclear power plant cannot afford to have even one failure. For this reason, when a person was put in charge of a project, he avoided being held liable by finding many excuses, although he supported the inevitability and urgency of technological independence.

South Korea had built 11 power reactors, but was not able to achieve technological independence. In addition, South Korea became the only country in the world that had four different models of reactors as a result of awarding political favors to different countries. South Korea has become a display ground for nuclear power plants made by powerful countries.

Notwithstanding these considerations, we could not simply go ahead and accept responsibility. I examined carefully if we could actually build a South Korean-model reactor, once we accept the premise that we must proceed to develop a Korean-model reactor. It was urgent to identify our technological weaknesses. I did not, however, form a team to find such weaknesses, for had I formed an official team, it would have been dominated by bureaucracy.

"I should be responsible alone, and if anything goes wrong, I should go to jail." However, if anything goes wrong, it cannot be corrected by merely putting me in jail. The safety of the people was a far more serious matter, and I struggled with technical data for seven months. I lost 6 kilograms during that period..

Do I benefit any if I succeed? I did not find any satisfying answer to this question. I was fully aware that I would stay where I was even if everything went well. I never received any citation or medal for developing the South Korean-model reactor. I did not even receive a commonly available citation from KAERI.

When I returned from the United States after spurning the U.S. proposal for the Russian VVER reactors, my team spent four days and nights to prepare data to raise public awareness and persuade the Korean press. Afterwards, our team spent many nights and weekends in our laboratory to support our arguments for offering the South Korean-model LWRs and make the [South Korean] government aware of the arguments [and use them] in the protracted negotiations between North Korea and the United States as well as among South Korea, the United States and Japan. Nobody told us to do it or had assigned the task to us, but we all worked hard.

What bothered us most, however, was not the physical hardship. It was domestic and foreign glare of accusation implying "why are you doing this? Nobody asked you to do it." It was also a ruinous defeatism accusito-

rily asking us, "do you know what you are doing? What do you mean by the South Korean-model reactor?"

While we were working on this subject, someone lamented, "If we really achieve a miracle of building South Korean-model LWRs in North Korea as a result of our sleepless work, what reward will we get?" Another ridiculed himself, "Can we have a noodle lunch at Chongwadae [with the South Korean President]?"

Our team never had a noodle lunch at Chongwadae. Moreover, I was relieved from my position exactly 40 days after the acceptance of the South Korean-model LWRs was finalized in peculiar wording at a meeting between the United States and North Korea in Kuala Lumpur on 9 June 1995.

I still have a dream. My dream is a much more valuable reward for me than any medal. My dream and the highest reward for me is to have real South Korean-model LWRs built on the soil of North Korea, where my fellow compatriots are living, with South Korea playing a central role.

ROK Editorial Comments on Government's DPRK Policy

SK3004022296 (Internet) *The Digital Choson Ilbo*
WWW in English 1159 GMT 29 Apr 96

[Editorial: "Northern Policy Labyrinth"]

[FBIS Transcribed Text] Understanding the recent developments in North and South Korea's relationship is no easy task. Just before the April 11 general election, North Korea staged an armed demonstration at Panmunjom, bringing us to the verge of war. The U.S.-Korea summit, just two days later on Cheju-to, where the four-party talks were discussed, cleared away the tension. Currently, the cooperative mood has progressed as far as allowing business groups to invest in North Korea.

It is unclear how long this seemingly relaxed mood will last, and whether allowing South Korean businesses to venture onto Northern soil again is a reactivation of our previous exchange objectives, or merely a prop to ensure the success of the four-party talks.

Of course, it is desirable to have an easing of tension and an expansion of cooperation in North-South relations. We can only develop an ideal relationship, however, when people understand the government's will, and action is propelled by national consensus. Otherwise, we shall merely fall into North Korea's trap.

In creating and carrying out North Korean policy, the government should have the confidence of the people, gained by their comprehension of the issues. Though

other countries are actively entering relations with the North, we should not follow suit without reason. Rather, we need to merely take the stances of North Korea and these countries into consideration while guiding our own citizens.

ROK Daily Urges DPRK To Meet 'Preconditions' for Additional Aid

SK0205083496 Seoul SEOUL SINMUN in Korean
2 May 96 p 3

[Editorial: "If They Want To Request Additional Food Aid"]

[FBIS Translated Text] It is well known that North Korea is suffering from serious food problems. Yet, an article by a reporter who recently visited North Korea is very pitiful. According to the reporter, Kim Il-song University closed because it cannot afford to provide meals to students, housewives in rural areas have been seen in the mountains peeling tree bark with sickles, and the number of children who are suffering from malnutrition in South and North Hamgyong Provinces alone surpasses 80,000.

The request for food aid by Yi Chong-hyok, vice chairman of North Korea's Asia-Pacific Peace Committee, who is visiting the United States, was made again probably because of this miserable situation in North Korea. Yi strongly asked our government to provide North Korea with food aid, saying "it is a traditional virtue of our nation that people help others who experience a natural disaster or difficulties." Now, the religious circles and nongovernmental organizations are actively carrying out a movement to collect donations for North Korean compatriots, and the government also adheres to the position that it is willing to provide assistance, including food aid, to North Korea.

However, I think that a clear principle and reason is needed to actually help the North Korean compatriots and provide assistance to North Korea. During inter-Korean contacts in Beijing in 1995, the government proposed that South Korea's additional food aid to North Korea presuppose that the North Korean authorities make an official request for it, that negotiations on the Korean peninsula are held, and that the DPRK stop slandering the South. Situational developments may let the South ease these preconditions, but even in this case, the basic premise should be kept.

In fact, all the preconditions presented by our government are not difficult to meet. It is a quite natural demand that responsible authorities of South and North Korea sit face to face with each other and discuss our national issues in our land. The suspension of slanders against the South is also a natural demand.

What is most imminent in current South-North relations is to recover mutual trust through dialogue. To this end, the North Korean authorities should accept the proposal for four-way talks and respect the spirit of the South-North basic agreement. The issue of providing additional food aid may be resolved smoothly when the "South-North Joint Economic Committee" is implemented in accordance with the basic agreement.

We repeatedly urge the North Korean authorities to make active efforts to restore mutual trust between South and North Korea.

ROK: DPRK May Incorporate Kim Il-song Into New Name

SK0105020896 (Internet) The Digital Choson Ilbo WWW in English 1218 GMT 30 Apr 96

[FBIS Transcribed Text] There is a strong possibility that North Korea will change its name to Kim Il-song Republic. A source recently back from North Korea said Tuesday that North Korean officials he met with in Pyongyang will give up the country's current name, "Choson," derived from a feudal dynasty in Korean history. This source also added that there is a possibility that the name change will take place in conjunction with Kim Chong-il's formal succession. The desire of Kim Chong-il to take advantage of Kim Il-song's influence by choosing to name the republic Kim Il-song Republic may be a primary factor for the change.

Since the death of the former North Korean ruler, officials have employed Kim Il-song's name on many occasions and have even created words such as Kim Il-song Nation and Kim Il-song Choson.

ROK: Kim To Wait 'With Patience' for Meeting Proposal Response

SK0205094196 Seoul YONHAP in English 0933 GMT 2 May 96

[FBIS Transcribed Text] Seoul, May 2 (YONHAP) — President Kim Yong-sam met Korea Veterans Association leaders over a Chongwadae [presidential offices] tea party Thursday afternoon, thanking them for the contributions they have made toward social stability as well as toward national security.

President Kim said in a speech the South Korean and U.S. forces stand ready to repel whatever provocation North Korea may make against the South.

Invited to the presidential tea party were 314 veterans leaders including association Chairman Chang Tae-wan and Min Ki-sik and Paek Son-yop, both retired four-star generals.

Kim said North Korea has deployed 1,100,000 troops in areas close to the truce line and some 200 MiG-17 and -19 jet fighters at three frontline area air bases.

The president said he would wait with patience for the North's affirmative response to the four-way meeting proposal. "Though there are many countries in the world, the country that can help the North will be none but South Korea," Kim said.

He then called on the veterans association to engage positively in social service activities and take the lead in heightening the public's sense of national security.

ROK: Officials From ROK, PRC To Discuss Consular Affairs 7 May

SK0205045896 Seoul YONHAP in English 0446 GMT 2 May 96

[FBIS Transcribed Text] Seoul, May 2 (YONHAP) — Officials from South Korea and China will meet in Seoul Tuesday [7 May] to discuss ways of effectively coping with incidents involving South Koreans visiting China. Foreign Ministry Spokesman So Tae-won said Thursday.

Director General Kang Ung-sik of the ministry's Overseas Residents and Consular Affairs Bureau will lead the South Korean delegation to the two-day talks, So said.

Kang's Chinese counterpart will be Director General Zhang Hongxi who is in charge of consular affairs at the Chinese Foreign Ministry.

The two sides will focus on ways of judicial cooperation in dealing with crimes involving Koreans in China and vice versa, as well as preventing illegal immigration by Chinese to South Korea.

ROK: KOTRA Cites Report on EU Trade Policies Unfavorable to ROK

SK0205011196 (Internet) The Chungang Ilbo WWW in English 2 May 96

[FBIS Transcribed Text] It was found that the European Union (EU)'s tariff and trade policies are applied much more unfavorably to Korea in comparison to Thailand and other Southeast Asian nations competing with Korea. According to the Korea Trade and Investment Promotion Corporation (KOTRA) Wednesday [1 May], a German economic institute (DIW) [Deutsches Institut fuer Wirtschaftsforschung] noted in a recent report entitled 'EU's Trade Policy on Southeast Asian Countries' that Korea is placed at a bigger disadvantage over other Southeast Asian nations in terms of the degree of damages caused by the revision of EU's Generalized System

of Preference (GSP). According to the report, due to the GSP revision, Korea is not receiving preference for 83.1 percent of the current GSP items.

ROK Pledges \$70,000 in Aid to Mongolia for Fire Damage

SK0105034096 Seoul YONHAP in English
0254 GMT 1 May 96

[FBIS Transcribed Text] Seoul, May 1 (YONHAP) — South Korea has decided to provide 70,000 U.S. dollars in aid to Mongolia to assist the nation in fighting the massive fires that have been raging there for months. Foreign Ministry Spokesman So Tae-won said Wednesday.

The assistance will be provided to Mongolia as soon as possible through consultations with Ulan Bator, he added.

The Mongolian Government invited foreign envoys in its capital Monday to explain the damages from the fires and appealed for humanitarian aid from abroad, according to So.

The blazes were first reported on Feb. 23 and have since engulfed 12 out of the nation's 21 provinces, affecting 80,000 square meters of grassland and forests.

According to interim reports, the fires have caused five deaths, burned down 56 homes and scorched about 1.8 billion dollars worth of lumber thus far.

ROK Foreign Minister Kong No-myong To Arrive in Austria 2 May

SK0205010996 Seoul YONHAP in English
0035 GMT 2 May 96

[FBIS Transcribed Text] Vienna, May 1 (YONHAP) — Foreign Minister Kong No-myong will arrive in Vienna Thursday for a four-day official visit following a trip to South Africa.

Kong is scheduled to meet with Austrian Prime Minister Franz Vranitzky Thursday to discuss ways to strengthen bilateral economic and trade cooperation, including support for joint ventures advancing into eastern European markets, between their countries.

Kong is also scheduled to confer with his Austrian counterpart Wolfgang Schuessel Friday morning. They are expected to discuss how to strengthen cooperative ties in international arenas like the United Nations.

Kong is expected to ask for Austria's support for Seoul's application for admission to the Organization for Economic Cooperation and Development (OECD) and its effort to gain the status necessary to be a

routine participant in the Organization for Security and Cooperation in Europe (OSCE) activities.

Ways of invigorating cooperation between South Korea and the European Union in the wake of the first Asia-Europe meeting in Bangkok early in March will also be discussed.

The two foreign ministers, following their meeting, are to hold a joint press conference.

ROK: 'Key Official' in Ruling Party Urges Amnesty for Chon, No

SK0105132796 Seoul HANGYORE SINMUN
in Korean 1 May 96 p 2

[Report by Kim Chong-chol]

[FBIS Translated Text] So Sok-chae, former Minister of Government Administration who is a key official in the Democratic Faction of the New Korea Party (NKP), has called for amnesty for former Presidents Chon Tu-hwan and No Tae-u. Thus, people are paying keen attention to the background against which his remarks were made.

Last year So Sok-chae gave rise to heated public controversy by leaking a "rumor on 400 billion won in slush funds." In an interview with the ROK weekly magazine, NEWSMAKER, published on 1 May 1996, he commented on the situation since judicial action has been taken against the two former presidents. He said: "Since the court trial is underway, it may not be appropriate for me to comment on this. However, I may point out that there are two different aspects in any human being. A person's unjust acts should naturally be criticized. However, people should take into consideration the fact that they made contributions to the nation as heads of the state. This being the case, I think they should be pardoned."

This is the first time a core official from the Democratic Faction, which is the real power holder in the ruling camp, has commented on future treatment of the two former presidents.

ROK Prosecution: Chon Tu-hwan Cashed 'Billions of Won' in Bonds

SK0205041696 Seoul YONHAP in English
0255 GMT 2 May 96

[FBIS Transcribed Text] Seoul, May 2 (YONHAP) — Former President Chon Tu-hwan cashed billions of won in debenture bonds through his aides, including private secretaries, in an effort to hide the slush fund that [as received] he was arrested for last December, prosecutors said Thursday.

The Seoul District Prosecutor's Office said it had confirmed that Yi Taek-su, 47, one of Chon's private secretaries, cashed 2 billion won (about 2.6 million U.S. dollars) worth of debentures through a private moneylender, and later took 1 billion won that Yi had been keeping.

According to prosecutors, Yi, under Chon's instructions, diverted 4 billion won in debenture bonds owned under false names to those owned under real names last September, and cashed 2 billion won worth of debentures last December.

Of the 2 billion won, Yi allegedly gave 1 billion won to Yi Sun-cha, Chon's wife, and is keeping the remaining 1 billion won himself, they added.

Several of Chon's secretaries, bank officials and private moneylenders were summoned for questioning Thursday in a bid to uncover where Chon is allegedly hiding his slush fund and how he violated the real-name financial transaction law.

Prosecutors estimated that Chon, whose net worth was 210 billion won in 1992, is keeping 140 billion won (about 180 million U.S. dollars) in financial instruments and cash.

Earlier in the day, prosecutors searched the homes and offices of Chon's aides.

ROK: Two Independent Lawmakers-Elect Join Ruling New Korea Party

SK0205025096 Seoul YONHAP in English
0240 GMT 2 May 96

[FBIS Transcribed Text] Seoul, May 2 (YONHAP) — Two independent lawmakers-elect, Pak Chong-u and Pak Si-kyun, joined the ruling New Korea Party (NKP) Thursday.

With their inclusion, the NKP's representation in the 15th National Assembly increased to 145. The ruling party had won 139 in the April 11 general elections.

Pak Chong-u was elected from the Kimpo Constituency in Kyonggi Province and Pak Si-kyun from Yongju, North Kyongsang Province.

ROK Daily Views Strong Potential Candidates for NKP Presidency

SK0205005296 Seoul THE KOREA HERALD
in English 2 May 96 p 2,9

[Report by staff reporter Choe Sung-chol]

[FBIS Transcribed Text] The next presidential elections are still about 20 months away, but competition in the

ruling New Korea Party (NKP) for the candidacy is already taking place.

Who will win the NKP's presidential nomination with the blessing of President Kim Yong-sam, whose tenure of office ends in early 1998, has become the focus of South Korean political circles' interest.

Now that the general elections are over, in which the ruling party won close to a majority of seats in the National Assembly, suppressed competition to be the ruling party's standard-bearer has started surfacing among potential contenders in the NKP.

The reason why most potential presidential candidates in the NKP are refraining from making public their presidential ambitions is because an early debate would loosen Kim's control over the party — a situation the president would not like to see.

President Kim hinted that he is banning open debate on his successor until next year when he said in an interview with the Buddhist Broadcasting System Monday, "With my term to end in about 22 months, it won't do any good to the management of state affairs at this time to talk about the NKP standard bearer."

It is too early yet to say who will run for the ruling party in the presidential race next year, but there are a few who are cautiously making their bids to succeed President Kim.

Yi Hoe-chang, the front-runner

Among strong potential presidential hopefuls in the NKP, reformist Yi Hoe-chang is regarded as the fore-runner at this stage.

Yi, who presents himself as a high principled politician capable of establishing politics ruled by law, led the ruling party's campaign in the April 11 parliamentary elections with his "Mr. Clean" image, and the NKP considered his contribution key to success in the elections.

Yi, who was prime minister early in President Kim's administration, seems to have a clear lead over all other presidential hopefuls. His popularity ratings have been steadily climbing.

According to a recent poll of 132 NKP lawmakers-elect, published by a weekly news magazine, Yi was supported by 29.7 percent of respondents while Vice National Assembly Speaker Yi Han-tong, a conservative, had 14.1 percent and Pak Chan-chong, another popular reformist politician who joined the NKP to lead its campaign in the Seoul metropolitan area in the elections, had 10.9 percent.

Other surveys conducted by influential newspapers show Yi Hoe-chang and Pak Chan-chong running neck-and-neck in popularity ratings, perhaps demonstrating the desire among politicians for more reformists in government.

Both Yi and Pak, political observers say, had an ambition for the presidency when they joined the ruling party four months ago.

Kingmaker in the shadow

By contrast, outgoing party Chairman Kim Yun-hwan's popularity ratings are not as noteworthy. In the same poll conducted by the WEEKLY CHOSUN, Kim had only 8.7 percent support from NKP lawmakers-elect, which is low enough to cast a cloud over his alleged aspirations for a presidential bid.

Kim, who is the No. 2 man after President Kim in the ruling party, is called the kingmaker because he played decisive roles in the election of President Kim and disgraced former President No Tae-u. Kim leads the conservative Minjong faction in the NKP and will step down as chairman in May 7 national convention to give the President a free hand in reorganizing party leadership. Kim's potential was further weakened when the Minju faction, which is loyal to President Kim, emerged as the largest group of law makers within the ruling party after the April elections. They would almost certainly support a reformist over a staunch conservative like Kim Yun-hwan.

There are other leaders with presidential desires in the Minju faction like Reps. Choe Hyong-u and Kim Tok-yong and Kyonggi Province Gov. Yi In-che, but their approval ratings are not high enough to pose a significant challenge to Yi or Pak.

The President's choice

But perhaps more important for potential candidates than popularity surveys or support within the party is gaining the President's backing.

Though the NKP's constitution calls for a free competition for presidential candidacy, no contestant could win the candidacy without President Kim's support.

The President's personal endorsement will be especially important this time since none of the potential candidates command overwhelming party support. Those with an eye for the presidency will have to curry the President's favor.

In this respect, front-running Yi Hoe-chang's remarks at a recent Chongwadae [presidential spokesman] party held by President Kim in celebration of the ruling party's election victory were notable.

At the celebration held right after the April 11 elections, Yi sang the praises of President Kim for what he called his unsparing behind-the-scenes support in winning the elections.

The comment was unusual for the forthright politician with much charisma and appears to have sprung out of a heart with higher aims.

ROK Government, NKP To Revise Trade Laws, Acts, Regulations

SK0205003396 (Internet) The Chungang Ilbo WWW in English 2 May 96

[FBIS Transcribed Text] The South Korean government and the ruling New Korea Party (NKP) decided to carry out a large-scale revision on 15 trade laws in order to enhance national competitiveness as well as to effectively implement government strategies on globalization in order to prepare for the era of internationalization and liberalization.

The NKP and the government also plan to selectively revise 24 acts and enforcement regulations under the trade laws, and begin legislative action during the period of May-July. The draft of the bill will be submitted for approval to the regular session of the National Assembly in the fall, or during its June-July interim session.

ROK: Kim Yong-sam on Reforms in Labor-Management Relations

SK0205071696 Seoul YONHAP in English 0615 GMT 2 May 96

[FBIS Transcribed Text] Seoul, May 2 (YONHAP) — President Kim Yong-sam, discussing the proposed reform of labor-management relations, stressed Thursday a need for overall reform in both perception and practice.

"Labor-management reforms looking forward to the 21st century must cover not only laws and institutions, but overall perceptions and practices as well," the chief executive said.

"Improved union-management relations are only possible on the basis of national consensus," Kim maintained, adding, "accordingly, the upcoming presidential commission on reforming such relations will focus its activities on gathering and discussing a wide range of public opinions."

Kim made the remarks at a Chongwadae [presidential offices] luncheon he hosted for 50 individual medal awardees and executives and employees of six firms given citations on the occasion of Labor Day. Among the businesses was Kyobo Life Insurance Co., Ltd.

Reforms in union-management relations cannot be achieved through the improvement of laws and institutions alone, Kim pointed out and asked both the labor and management to launch respective reform drives aimed at establishing a new mutual relationship.

Emphasizing that the proposed union-management relations reforms will culminate the incumbent civilian government's reform drives, Kim urged both sides to actively participate in the reforms, breaking away from immediate interests.

ROK Lawmaker Kim Hwa-nam Arrested for Election Law Violations

SK3004033396 Seoul YONHAP in English
0244 GMT 30 Apr 96

[FBIS Transcribed Text] Uisong, North Kyongsang Province, April 30 (YONHAP) — Lawmaker-elect Kim Hwa-nam was arrested on election law violation charges Tuesday morning when he turned himself in at the Uisong branch of the Taegu district prosecutor's office.

Elected from Uisong electoral district on a United Liberal Democrats ticket, Kim became the first legislator-elect taken into custody in connection with the illegal campaigning during the April 11 general elections.

Investigators began to question Kim about his alleged distribution of 68 million won to voters during the campaign as soon as he got to their office at 9:35 AM [0035 GMT].

Kim will be transferred to Andong prison as soon as he is formally indicted after the investigation, prosecution officials said.

Kim, a former commissioner of the National Police Administration, is suspected of distributing 68.8 million won cash since last December to people in his electoral district during the parliamentary elections.

Once a member of the ruling New Korea Party, Kim switched to the ULD earlier this year when he was not nominated by the NKP to run in his home district of Uisong, a city north of Taegu.

ROK Meeting Discusses Plans for Space Program

SK0105021896 Seoul THE KOREA TIMES in English
1 May 96 p 3

[FBIS Transcribed Text] South Korea aims to develop a low-orbit multi-purpose satellite and a two or three stage booster rocket to put the satellite up by 2010.

The country, now at the initial stage of its space program, plans to localize most of the technologies required for the project to move into the top 10 countries in the world in the field, regarded as an industry of

the future. A total budget of 4.8 trillion won will be earmarked for the project.

To realize these lofty aims, the country will launch a space agency fashioned after NASA of the United States and NASDA of Japan in sole control of research and development of astronautical technology.

These and other lofty aims were decided at the 12th science and technology evaluation meeting presided over by Prime Minister Yi Su-song yesterday.

In the meeting, it was decided that the Ministries of Science- Technology Information-Communication and Trade-Industry-Energy will supervise the development of a medium sized booster rocket system. To that end, the basic design of the rocket will be drafted and a engine test facility will be set up by the end of next year to lay the foundation for the country's rocket program.

It was observed during the meeting that a total of 4,420 satellites have been launched since the Soviet Union put up the first man-made satellite, Sputnik in the 1950s.

Now the annual value of the worldwide satellite market is estimated at 50 billion dollars. Korea launched two experimental satellites in 1992 and two science and observation satellites in 1993. In 1995 and 1996, two more sophisticated communications & broadcasting satellites, the "Koreasats" were put up, testifying to the country's eagerness to advance into the space age.

Related government agencies will cooperate in the development of computer software and individual researchers will be encouraged to come up with ingenious ideas with financial and systems support.

Meanwhile, a total budget of 3.1598 trillion won was required to tab the R&D, personnel and other requirements of the science and technology sector this year, it was revealed in the meeting.

ROK: Prime Minister Urges Ministers To Curb Overseas Trips

SK0205055096 Seoul YONHAP in English
0523 GMT 2 May 96

[FBIS Transcribed Text] Seoul, May 2 (YONHAP) — Prime Minister Yi Su-song has curbed the rash of overseas trips by cabinet ministers in the wake of the April 11 general elections, it was learned Thursday.

Approval applications for overseas trips by ministers, which had been withheld in view of the parliamentary elections, have spiraled to more than 10 following the elections, according to the prime minister's office.

While most applications were well justified, some turned out to be either unnecessary or not urgent.

The prime minister's office, accordingly, instructed ministers making non-urgent overseas tours to put them off, and those whose applications had already been approved to shorten the duration of their trips, an official from the office said.

In addition, a directive calling for "self-restraint so that overseas trips by ministers and vice ministers may not rush at once" was issued last Thursday at a vice ministerial meeting, the official added.

Those actions were taken out of a concern that a rush in ministerial trips abroad might hamper such national administration duties as the convening of the State Council, according to the official.

A quorum for the State Council is 22, and if 11 council members are absent, a state council meeting cannot be held.

Six State Council members were represented by their deputies at Tuesday's cabinet meeting because they were traveling abroad.

The six are Seoul City Mayor Cho Sun, Deputy Premier and Finance and Economy Minister Na Ung-pae, Foreign Minister Kong No-myong, Culture and Sports Minister Kim Yong-su, Environmental Minister Chong Chong-taek, and Information Minister O In-hwan.

Burma

Burma: Article Criticizes West for Human Rights Allegations

BK0105133696 Rangoon MYANMAR ALIN
in Burmese 27 Apr 96 p 6

[Article by Maung Saw Tun: "Persons Finding Fish Bones in Eggs"]

[FBIS Translated Text] There are no bones in an egg, only yolk and albumen. Everyone has known since the chicken came into existence that an egg contains no bones but only yolk and albumen. Fish, however, do have bones. Hardly any fish without bones exists on this earth. Everything exists in this world according to its own nature; fish have bones while eggs have none. Their characters cannot be mixed but must be viewed separately. One should know that natural laws cannot be rejected.

Very amazing things are happening today. There are many people trying to find fish bones in eggs and are knowingly fabricating research. Myanmar [Burma] has had its own civilization with its own unique culture since time immemorial. Social relations have also existed in accordance with Myanmar's tradition and character, and the country has enjoyed strong human rights for a long time. The beacon of faith has shone in Myanmar for more than 2,000 years, and religious teachings have formed the root of Myanmar's culture. Moreover, religion has always played a part in Myanmar tradition and culture, and there is a definite basic social principle for the people of Myanmar to follow. That is the five religious precepts: to abstain from killing, stealing, committing adultery, telling lies, and alcoholic beverages.

This social character based on five precepts has been embedded in ancient Myanmar culture. The essence of this social principle forms the basis of Myanmar's human rights, either for an individual or a race. Indeed, the essence of the United Nations Declaration on Human Rights included in the UN Charter is not comparable to Myanmar's social principle based on five precepts. Myanmar's tradition and culture has prohibited the killing of animals, let alone human beings. This fascinating conviction is really the true principle.

The Myanmar people have always tried to live according to the five precepts, and that tradition has been handed down from generation to generation with some social guidelines. Sometimes strict social disciplines have to be applied. Social preservation means the preservation of human rights.

Killing is strictly prohibited. If a monk committed such an act, he could never be a monk again during the rest

of his life. Similarly, if a monk is engaged in sexual activity, he can never become a monk again during the remainder of his life. This is known as Parazikan. The tradition is so orthodox it strictly prohibits a man and a woman from sleeping together illegally. Engaging in premarital sex is socially unforgivable. These constraints seem severe in Western culture. They say there is no freedom of choice and no human rights. A Myanmar woman with an illegitimate child will be a social outcast for the rest of her life because it is considered a great offense in Myanmar culture and social circles, although it is considered a common matter in Western culture.

Furthermore, the Myanmar public believes that abortion amounts to murder, but legal abortion can be done in the West. The West's human rights organizations allege human rights abuses in Myanmar for taking action against people involved in illegal abortion. Narcotic drugs and alcohol abuse is unacceptable in Myanmar society. An alcoholic is rejected by his family—worse still, if he is a drug addict. Any family with an alcoholic or a drug addict is ostracized by society. Drug addicts are considered to be at the lowest rung of the Myanmar social ladder.

The Myanmar public does not accept hypocrites. They are unreliable, loose characters. The conscientious Myanmar people hate the act of deception, and they do not make friends with deceitful persons. A human rights rapporteur, who comes annually to Myanmar, tells one thing in Myanmar but says another the moment he arrives at the Bangkok airport. When he meets his boss, he reports the opposite of what he first said. It is aggravating to the Myanmar people. He is no ordinary person but a well-educated professor recognized in the West. Deception is the worst social crime and is undesirable to the Myanmar public.

Myanmar is clearly like the egg with only a yolk and albumen. Its culture and tradition is also as clear as the egg. The standard of Myanmar human rights — as clear as the yolk and albumen — has no complications and is in accord with Myanmar custom, tradition, and culture. Myanmar has enjoyed its own human rights since time immemorial without any problems.

The West is like the fish. Their traditions and cultures are complicated like fish bones. Justice can be bought while murders — mass murders and the gunning down children — are committed at will. These ordeals, although tragic, last for a while, but this continues to happen year after year. Sexual freedom — living together without being legally married, the right to abortion, and adolescents losing their virginity — is widely practiced in the West. It is an uncommon phenomenon. There are

many drug addicts, and drugs are used as a socializing medium. A well-known president is said to have used marijuana. They drink liquor like the people of Myanmar drink plain tea. They serve liquor to visitors. Even women enjoy liquor. Bribery and corruption is rampant in rich developed countries, and stealing seems to be legal. These developed countries have mounted allegations of bribery and corruption in developing countries, which amounts to only four or five digits, while they are covering up their bribes worth more than a small country's national debt. When a thief grows bigger by stealing and taking bribes, they tend to frame a smaller thief with the crimes they committed. The West is also number one at fabricating concoctions. The colonialists' radio waves have been verifying daily who the world famous hypocrites are. They alleged there are fish bones in the egg and are frantically searching for them. What a joke. These allegations only reflect their ill will. The Myanmar public might be cheated if it is unaware that they are searching for fish bones in an egg.

A former politician once mocked the Burma Communist Party for searching for lice on a Chittiyar's [a native of India who became landowners in Burma during the British colonial period and traditionally shaved their heads] head; one cannot expect to find lice on a clean-shaven Chittiyar's head. It means finding meaningless problems, similar to the Myanmar saying "applying balm when there is nothing swollen." Human rights and democracy have different characteristics, and the people who knowingly criticize are merely trying to find fish bones in an egg.

Burma: Junta Grooming Organization 'Much Like' Indonesia's Golkar

BK0205092296 (Internet) BurmaNet News in English
30 Apr 96

[FBIS Transcribed Text] Press Release. April 30, 1996
USDA's business prospers because of state properties' monopoly

The Union Solidarity and Development Association (USDA) was first established by the SLORC [State Law and Order Restoration Council] as a social organization. However, it has since become the political support group for SLORC and its ongoing National Convention much like the Indonesian Golkar. As such, USDA now exercises a monopoly over State properties in its business projects and investments amounting to billions of kyats [Burmese monetary unit].

USDA began its business and investment dealings in early 1995. With the assistance of SLORC, USDA established the Myan Gon Myint company with a 68 billion kyat investment. Likewise, 382 shops in

Pinlon Yadana market in northern Dagon satellite, owned by Rangoon City Development Committee was handed over by SLORC to USDA Central Committee on January 24, 1995 as a special privilege for the organization. USDA earned 55 billion kyats by reselling the shops to the individuals and one billion kyats monthly from renting the shops, according to the USDA's annual report submitted at the USDA annual meetings on September 15, 1995.

In Burma, the government establishes markets and sells the shops to individuals, who can buy a shop for the amount required and proceed to run their business. USDA has the unique privilege of free shops to operate itself or to resell.

The annual report also revealed that an additional 11 shops in the State-owned Theingyi market in Rangoon were handed over to the USDA. The organization got 39 billion kyats for selling some of these shops and another 65,000 kyats monthly for renting. Similarly, the newly-renovated Myaynigone market owned by Rangoon City Development Committee was transferred to USDA Central Committee and earned the USDA a profit of 200 billion kyats.

Within the past year, USDA earned 362 billion kyats in profits by using state properties in their business, the annual report said.

In addition to these major business, USDA is running highway bus stations, passenger bus companies, restaurants and recreation centers, buying shares in other companies, taxing transportation and many other small businesses with the assistance of SLORC, according to the report.

ABSDF [All Burma Students' Democratic Front] News Agency ABSDF (Dawn Gwin)

Burma: Than Shwe Urges Workers To Fulfill National Objectives

BK0205101096 Rangoon THE NEW LIGHT OF MYANMAR in English 1 May 96 p 1

[Message of Senior General Than Shwe, chairman of the State Law and Order Restoration Council, on 1 May 1996 Workers Day]

[FBIS Transcribed Text] To all esteemed workers. On this auspicious occasion of Workers Day which falls on 1 May 1996, I send this message in honour of the blue collar and white collar workers in the entire Union of Myanmar [Burma], extending my greetings to you wishing you physical and spiritual wellbeing.

Workers Day ceremonies are being held in many nations including Myanmar in recognition of their crucial role

in fulfilling the needs of human society extensively through their physical and intellectual strength and diligence.

When Myanmar was under colonial rule for over 100 years, the colonial government systematically schemed to cause degeneration of Union spirit, nationalism and patriotism of the nationals. Historical records clearly show that the colonialists mercilessly made the national workers sacrifice life, blood and sweat in unjustly exploiting the resources of Myanmar.

In spite of the colonialists' suppression and destruction of their fine inborn character, the Myanmar nationals including workers and peasants possessing nationalist spirit, patriotic spirit and patriotic fervour had been able to regain independence after unitedly rising against the former.

Though the nation was to be rebuilt with the united strength of the peasantry and workers during the post-independence period, the peasantry and workers were given political tint by parties, divisive acts by various Thamaggas (Unions) and internal strife; the objective of rebuilding the nation could not be achieved and it remained merely a dream.

Taking lesson from those incidents it is necessary to avoid, with a high level of awareness, such interference caused by party politics, for it could jeopardize the unity already secured among the mass of workers. The inherent patriotic spirit and anti-colonialist spirit are to be always preserved to prevent the nation from being enslaved once again.

The workers see for themselves that the State Law and Order Restoration Council has achieved success in implementing political, economic and social objectives for building a peaceful, modern and developed nation.

The political objective for community peace and tranquility and prevalence of law and order has been realized almost cent percent (hundred percent) while success has been achieved stage by stage in efforts for the emergence of a new, enduring State Constitution.

The four-year plan from 1992-93 to 1995-96 was implemented through diligence in accordance with the economic objectives laid down for national economic progress. There was success with clear evidence that firm foundations have emerged for the long-term progress of the national economy.

The short-term five-year plan is being implemented from 1996-97 to 2000-2001 for making sustained efforts to consolidate the good economic foundations and for the long-term progress. The entire mass of the national

people including workers and peasants are urged to play their role in the task together with the government.

All esteemed workers. If a study is made of the developing nations, it is clearly found that their citizens work hard with diligence and perseverance, in discipline. So, I would like to urge Myanmar workers to exert their utmost efforts while in discipline for the modernization and development of the nation.

At a time when we are building a peaceful, modern and developed nation, I would like to emphatically urge blue collar and white collar workers to actively participate together with the entire mass of national peoples:

- for realization of political, economic and social objectives,
- for realization and over-fulfilling the 1996-97 yearly plan targets of the nation, and,
- for the success of national political movement for the emergence of the new State Constitution.

Burma: Article Warns Opposition To Slow Down

BK0105153296 Rangoon THE NEW LIGHT OF MYANMAR in English 28 Apr 96 p 3

[Article by Byatti: "Turn Back or Face More Embarrassment"]

[FBIS Transcribed Text] In the present era, out of all the basic facts leading to smaller countries compelled to almost accepting the propagandas being spread by big Western powers, using underhand tricks, one simple but strange fact is due to being well-versed in the English language.

As the propagandists in Madonna's country inherited both land and language from the grandfather democratic countries, they outdid one another in spreading propaganda.

Talking about grandfather democracy, sometime back an article was written by Maung Saw Tun mentioning that in that major country there is no constitution. I made enquiries to verify whether this can be possible or not. It is indeed true. The present law used in grandfather democratic country is the Magna Charter signed by King John in 1215 AD. The points contained in this Charter are mostly the demands made at that time by those who mutinied against King John and were kept as records.

This charter was amended time and again through the successive centuries up to the time of King Henry III when it was rewritten and promulgated and can be regarded merely as an old book. This charter is now kept at Oxford University. If you do not believe this, then you can ask by writing to the great scholar who

had once studied in Oxford. However, there is one thing. That scholar sometimes suffers from cold or retention of gases in the stomach depending on circumstances and time.

To continue with the English language, there are altogether 26 countries in the world where English language and literature is used as official language. It is revealed in the World Almanac (1995) that out of the remaining countries in the world, English, though not official, is partially used in offices in 18 countries. Therefore, there can be no doubt that English is used effectively in propaganda work.

Nearly all countries use mainly English in their magazines and journals which are sent abroad. This in itself is a special advantage for big Western countries. However, in Madonna's country, the propagandists, who are fully aware of the problems which can arise out of misuse of English words, write anyhow when writing about another country but very careful in the choice of words and use appropriate and beautiful words when it comes to writing about their own country.

If I am to recount what I have studied and noted down, in Western democratic countries, there are beggars who go round picking up food thrown into dust bins of restaurants. These beggars are not to be called or written as poor people but merely as low income people just to protect the affairs of the beggars, according to a provision officially issued. (In the case of other countries they use awful words, especially those countries with which they are not in good terms).

There is also another thing. They do not use the words ghetto or slums for lanes and alleys where the poor people live, but merely Inner city. When big companies lay off a large number of employees and turn them away to the streets, they are made to use the words 'streamlining of production'.

Moreover, in the 1950s millions of US troops took part in the Korean War and in order not to leave a black mark, they are made to use Korean Conflict instead of Korean War, as though it was the conflict between the Korean nationals only. The same applies to the Vietnam war. They dared not use the words capture and destruction but merely pacification. When the pilots were sent to rain bombs in Vietnam, an order was given 'let there be no more new refugees' meaning to completely wipe out all.

They used the word aggression against their opponents but when they and their allies launched attacks in the Middle East they used the term 'mission of mercy'. There are more to be noted down. Their nuclear warheads are given such names as Titan, Night Zeus,

Night Agit and Poseidon which are in reality the names of famous Greek gods, in other words they are the saviour gods of the people.

These matters are being written not to boast as a wise guy, but just to explain as there are reasons to do so. What I want to say is about the matter of disgracing the democratic stunt actress with the pretence of praising her. Yes, I had a chance to read an article written by Claudia Dreifus under the headline "The Passion of Suu Kyi" on page 32 of the 7 January 1996 issue of THE NEW YORK TIMES. I had the chance to read it not because it was sent by good contacts abroad, but, due to the kindness of some of her party followers, seeing huge pictures of their leader and the big headlines appear in a foreign magazine, fancied them very much and without knowing head or tail about it, boastfully made copies and distributed them. I have no idea in which manner the intelligent reader will understand the interview and interpret it. To tell how I understand it I will begin with the usage passion. There are many other appropriate words to be used in describing the high spirit of the democracy stunt actress and I feel this usage is not to my liking. What will the people who have seen the video tape 'The Passion of Nurse' think about the democracy stunt actress. Just think about it.

This word is mostly used in novels and stories connected with a feeling of lust and a strong passionate desire. If an honest praise is to be made then the word ardour could be used. 'The Passion of Nurse' is a war picture with the World War II as its background but the real story is about a nurse who goes on sexually assaulting people without sparing even a patient who is receiving blood transfusion. The writer has given the headline for others to think so and so. It is also necessary to mention what is written in the interview.

Q. Someone was telling me that there were leaflets circulating in Rangoon saying, "Not only does she have a foreign husband, but he's Jewish."

Before coming for an interview on 24 November 1995, it is not known how the writer heard about that news and from which idle women gossiping. The democracy stunt actress replied thus;

A. Did they say he was Jewish? Sometimes they say I have a Muslim husband. Well, I think sometimes they say I have several husbands! Sometimes, they say I have, I think, its four husbands. They just say anything they feel like saying.

There was a very lovely old lady in one of the Burmese village, who didn't believe all that. And when she heard that I was supposed to have four husbands, she

said, "Well if I had all her advantages, I'd have four husbands, too" (Laughs).

Only when the democratic stunt actress began to babble this news in English did I hear about it. As told by the stunt actress, if she has a Muslim husband, or divorced husband or four other husbands, I have never heard about it in respectable society. Even if we heard about this, we would have stood on the side of the stunt actress being the daughter of our National leader and being a Myanmar [Burma] woman.

The democracy stunt actress also spoke about her husband thus:

A. He's not a saint but he is a very good husband.

According to the stunt actress saying her husband is very good though not a saint, she could have used other words to describe her husband. Every time I think about the usage, very good, I feel goose pimples on my skin.

It is difficult when people believe the western media which is in the habit of making a mountain out of a molehill. Another thing I would like to say in connection with this. Nowadays, there may be people who have noted some of the shoutings made by some of His Master's Voice broadcasting stations. It is none other than the matter about a person, being praised by them as a famous foreign entrepreneur and consul-general representing six foreign countries, who is being taken in and interrogated.

That person an Anglo [Anglo Burmese] known as Cecil Leo Nickel, is neither a well-known businessman or an honorary consul-general. At present there are only two consul-generals in Myanmar [Burma] and Leo Nickel is not included. The broadcasting stations claim that he is well-acquainted with the democratic stunt actress. But in reality he is not a true acquaintance. He is providing assistance for the general expenses of the democracy stunt actress. He has provided assistance from entertainment expenses right up to hiring a gardener.

It is true that some 15 years back he served as honorary Consul General for Norway and Denmark. But after being sentenced for a criminal offense he was relieved from that post. He had seduced many young Myanmar [Burmese] girls promising them that he would send them abroad and they include a not so well-known artiste and a doctor. Due to these reasons this person cannot be a respectable person.

The arresting of this crook and swindler, is not because he is well-acquainted with the democratic stunt actress or is providing her assistance, but because he has violated the existing laws of Myanmar Naing-Ngan [Burma]. He has installed telephone lines and fax

illegally and has much contacts with the countries which are applying pressure to Myanmar through various means and opposing it. In other words, his actions are those to be suspicious about of being a modern espionage.

Moreover, that person, who is not born of Myanmar parents is found to be in possession of Myanmar Naing-Ngan Citizenship Scrutiny Card. This proves that this is not done simple reason but to cover up for spying. It is believed that he will be scrutinized by the respective personnel and departments. It is really a great wonder what dollar can do.

We cannot blame for taking action against him according to the existing law for violating the law as it has to be done. This is something to be done according to the sovereign rights of a country. The minions of the colonialists cannot bear to see this and are exaggerating it and reporting to foreign broadcasting services.

Hence, it is necessary to ponder over different situations to know the truth. As for the stunt actress, she gives different poses for pictures to be taken and says whatever she wants to say and is happy when articles appear in English.

In reality, it is time to ponder and think with one's own common sense, whether those, looking at you with smiling faces do so because they like you and accept you or are getting pleased to know that you will fall into the gutter; or thinking that what you are saying, talking, writing and shouting are being heard and regarded as valuable; or are they trying to find a loophole to point out and criticize you; or the clapping of hands from the road are to applaud and encourage you or hiring hoodlums to flatter you.

It's time to realize that keeping on rushing blindly like an elephant into the forest without yielding will bring more embarrassment.

Brunei, Malaysia & Singapore

Brunei

Brunei: Sultan Meets With Malaysian Premier, Backs Stand on Bosnia

BR0205073096 Kuala Lumpur BERITA HARIAN in Malay 2 May 96 p 2

[Report by Kadir Dikoh]

[FBIS Translated Excerpt] Bandar Seri Begawan, Wednesday [1 May] — Brunei Darussalam has expressed its strong support for Malaysia's stand and efforts to deal with the oppression of Muslims in

Bosnia. Datuk Sri Dr. Mahathir Mohamed said that Sultan Hassanah Bolkiah personally expressed his strong support during a meeting with the ruler at Nurul Iman Palace yesterday.

Speaking to reporters today after meeting Malaysian residents of Brunei at the Malaysian High Commission, he said: "We held talks on international issues, particularly the Bosnian issue. The ruler expressed his full support for Malaysia's stand on Bosnia."

The prime minister, who arrived here yesterday for a two-day working visit, held talks with the Bruneian ruler. Later, the two leaders rode horses and attended a dinner at Nurul Izzah Palace. The two leaders also held talks on bilateral cooperation, particularly with regard to communications, to provide Malaysians and Bruneians with opportunities to participate in investment activities. [passage omitted]

Brunei: Sultan Holds Talks With Visiting Malaysian Prime Minister

*BK3004130296 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 30 Apr 96*

[FBIS Translated Excerpt] Prime Minister Datuk Sri Dr. Mahathir Mohamed held private talks with Brunei's Sultan Hassanah Bolkiah at the Istana [palace] Nurul Iman in Bandar Sri Begawan today.

During the one-hour meeting, they discussed, among other things, the efforts to promote bilateral relations and to strengthen solidarity between Malaysia and Brunei. The two countries are both members of ASEAN.

Dr. Mahathir arrived in Brunei at 12:15 pm today for a one-day working visit. The two leaders are expected to attend a dinner banquet at the Istana Nurul Iman tonight. [passage omitted]

On Wednesday, Dr. Mahathir will visit Pulau [island] Layang-Layang and Labuan before returning to Kuala Lumpur in the afternoon.

Malaysia

Malaysia: Afghan Envoy Urges Kuala Lumpur To Host Peace Talks

*BK0105115096 Kuala Lumpur BERITA HARIAN
in Malay 1 May 96 p 2*

[Unattributed report]

[FBIS Translated Excerpt] Kuala Lumpur, Tuesday — Afghanistan today urged Malaysia to play a major role by hosting a peace meeting among the country's conflicting factions.

Abdul Sattar Murad [name as published], Afghan charge d'affaires to Malaysia, said that Malaysia was the first

country to recognize the Mojahedin. He went on to say that Malaysia is an Islamic country with a fine and exemplary record regarding international issues, and that Kuala Lumpur is in a good position to activate peace efforts that are acceptable to all parties concerned.

Speaking here today, he said: "My government is confident that Malaysia will begin efforts to bring the conflicting parties to the negotiating table. This will bring brighter prospects toward a successful settlement.

"Given Malaysia's neutral stand, all other countries will extend their full cooperation."

According to Abdul Sattar, Malaysia could send a delegation to Afghanistan to meet with representatives of all factions. He also believed that the representatives would accept such an initiative.

He added that Afghan President Borhanoddin Rabbani was willing to resign and hand over his post to a credible person who was acceptable to all factions in order to achieve national reconciliation.

He said: "Nevertheless, some factions are unable to come up with candidate, not only one who is acceptable to all, but also one who could guarantee the country's future stability.

Abdul Sattar refuted the West's contention that the ongoing conflict in Afghanistan centered around differences among the country's ethnic groups.

The Afghan Government is represented by all ethnic groups, including the Pashtuns who form the majority in the coalition government despite Rabbani being a representative from the minority Tajik group. [passage omitted on Tajik group's 30 percent representation in government and huge number of casualties since outbreak of conflict]

Malaysia: Second Group of SRV Refugees Departs by Ship

*BK0205081696 Kuala Lumpur RTM Television
Network 3 in Malay 0530 GMT 2 May 96*

[FBIS Translated Text] The repatriation of all Vietnamese refugees is expected to be completed by the first week of June. The original target was the end of June, when all Indochinese refugees are supposed to leave their holding camps throughout Asia.

A total of 126 Vietnamese refugees left Malaysia for home this morning by ship under the ORP [Orderly Repatriation Program]. This second group repatriated by ship consisted of 73 men, 40 women, and 13 children, 11 of whom were from the Kerayong temporary detention camp. Today's repatriation followed a successful first

effort two weeks ago. Malaysia is the first country to repatriate refugees by ship under the ORP. The second group was among the 1,250 refugees who voluntarily agreed to take part in the program.

Rear Admiral Datuk Yakob Daud, commander of the National Task Force for Vietnamese Refugees, expressed confidence that the second repatriation will be as successful as the first:

[Begin Daud recording in progress, in English] ...because a large number of them have decided to return under Voluntary Repatriation Program. Therefore, we do not have that many to send under the ORP. [end recording]

The refugees left the Tanjung Gelang naval base in Kuantan aboard the ship Indrapura and are expected to arrive in Vung Tao, a coastal town near Ho Chi Minh City, on 4 May. Datuk Yakob Daud said the third repatriation is scheduled to be carried out by the end of May.

Malaysia: SRV Refugees Hospitalized in 'Suicide' Attempt

BK0205074596 Kuala Lumpur THE STAR in English 2 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuantan — The 383 Vietnamese at the Kerayong Detention Camp who refused to sign up for the Voluntary Repatriation Programme (Volrep) will still be sent home.

South-East Police Field Force Brigade Commander Senior Asst Comm II [Assistant Commissioner Two] Datuk Abdul Aziz Mohamed Hashim said the group was being coaxed to sign up for the programme.

He said the camp would be cleared today.

Some of the boat people would be sent to the Tanjung Gelang naval base in Kuantan while others would go to the Sungai Besi detention camp.

To date, 14 Vietnamese had been admitted to the Mentakab Hospital after they attempted to commit suicide by piercing their bodies with sharp objects.

About 73 Vietnamese from the Kerayong camp had been sent to the Sungai Besi camp after they agreed to return home voluntarily.

Malaysia: Opposition Islamic Party Issues Ultimatum to Ally

BK0105133796 Kuala Lumpur THE STAR in English 1 May 96

[Report by Shamsul Akmar and Nick Leong — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — PAS [Pan Malaysia Islamic Party] has issued an ultimatum to its estranged ally Parti Melayu Semangat 46 [Malay Party of Spirit 46] — support the proposed constitutional amendments to curb the powers of the Sultan of Kelantan or leave the Angkatan Perpaduan Ummah [Islamic Unity Front] coalition.

Its deputy president Abdul Hadi Awang said the party was determined to amend the state constitution although it did not have a two-thirds majority in the State Legislative Assembly.

"We are prepared to face the consequences if the proposed amendments are rejected."

PAS controls 24 of the 43 seats in the state assembly. Semangat has 12 and Barisan Nasional [National Front], seven.

Making his strongest statement since the showdown between the two parties, Hadi said the PAS-led Kelantan Government was ready to rule the state with or without Semangat.

"We believe the people of Kelantan are with us. It is up to Semangat to either go along with us or leave (the APU coalition)."

The APU comprises PAS, Semangat, Hamim [Hizbul Muslimin Party] and Berjasa [Malaysian Islamic Council Front]. It was formed in 1990 before the general election.

PAS' earlier allegations of palace interference in the state administration and talk of Semangat rejoining UMNO [United Malays National Organization] had sparked the showdown.

Hadi said Semangat had requested PAS to be a partner in APU on the principle of fighting for Islam as addin (way of life).

"Now we are proposing amendments which are consistent with Islam and if Semangat does not support them, then it has detracted from the original agreement and has no place in our struggle.

"We only agreed to co-operate after it promised to struggle for Islam. If it does not agree to this principle now, it can leave anytime it wants to," Hadi said.

Hadi, who is the MP for Marang, said Semangat must move with the times.

He said PAS had supported the Barisan-initiated amendments to the Federal Constitution to curb the powers of the Malay Rulers.

"Even in the states controlled by Barisan like Kedah and Terengganu, we had supported their move to make the amendments.

"As such, it is only natural for us to expect UMNO and Barisan to support our efforts in return," Hadi added.

Asked why there was now a need to push for the amendments when the related changes to the Federal Constitution were made two years ago, he said: "We delayed it because we took into consideration Semangat's feelings and we had hoped that as time passed, it would see that such amendments were necessary and consistent with the teachings of Islam."

In an immediate response, Semangat information chief Ahmad Shabery Chik warned PAS of the consequences if it pursued the amendments.

"PAS does not have the two-thirds majority. If it tables the amendments and fails to obtain the majority, the state government will be deemed to have lost the confidence of the assembly.

"A fresh state election will have to be called," he said.

In Kota Baru, Kelantan Semangat chief Datuk Mohamed Rozali Ishak said ties with PAS could still be restored through sincere discussions.

"Nasi belum jadi bubur lagi. Kalau pun sudah jadi bubur, masih boleh dimakan (The rice has not turned to porridge. Even if it has, it can still be eaten)," Rozali, who is Deputy Mentri Besar (chief minister), told reporters after chairing a meeting with three other state Semangat exco [executive council] members.

"The fact that we plan to have an exco meeting soon indicates that the Mentri Besar (Datuk Nik Abdul Aziz Nik Mat) still wants to co-operate with Semangat," he added.

Meanwhile, Nik Aziz's press secretary Wan Ismail Wan Jusoh said Semangat should bear the responsibility if APU broke up.

Using a husband-and-wife analogy, Wan Ismail said PAS had sacrificed a lot to "marry" Semangat in 1990.

"Suddenly, PAS discovered Semangat has been dating old flame UMNO behind its back. How can we ever trust Semangat?" he asked.

He also said PAS would continue to grow even without Semangat.

Cambodia

Cambodia: Column Supports Using Force To Protect Constitution

BK004134496 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 29-30 Apr 96 pp 1, 2

[Issue's Comment column by Seiha: "The Trick and the Measure"]

[FBIS Translated Text] The tough measure — using military force to protect the Constitution — that Second Prime Minister Samdech Hun Sen declared at the central medical school on 27 April is the most suitable measure to deal with any evil trick that is aimed at destroying the Constitution.

In a chaotic situation, people might be confused and forget what is right and wrong. Naturally, people might be misled by those who want to fish in troubled water, and use certain labels or ideals as bait.

It should be noted that troubles have been stirred up. Some leaders have tried to downplay this by saying that "the situation is good." In such a confused situation, one should be careful not to let oneself be misled or plunge the country into immense danger.

The Constitution is the only indication that can determine whether our activities are right or wrong. When urged to carry out any activity, we should first contemplate whether or not it is in line with the Constitution. If the activity goes against the Constitution, it is wrong, it is bad.

The Constitution of the Kingdom of Cambodia resulted from national reconciliation. It is the result of efforts by the international community. Any adverse effect on the constitution is tantamount to smashing that national union. Those who would cause this should be considered "historic criminals." To avoid being misled by any dirty trick to destroy the Constitution, each Cambodian has the duty to resolutely defend the Constitution. To maintain the stability of the Kingdom of Cambodia, we must resolutely defend the Constitution.

The most important principles have been defined in the Constitution. If the Constitution is violated, those principles are affected, and peace and harmony will vanish; therefore, to defend the Constitution with force is not wrong. It is a fitting deed.

Cambodia: Hun Sen Explains Need for 'Iron Fist'

BK0205075696 Phnom Penh National Radio of
Cambodia Network in Cambodian
1300 GMT 1 May 96

[Speech by Second Prime Minister Hun Sen in 1 May meeting in Takhmau, Kandal Province, to 87

representatives of his supporters from various districts — recorded]

[FBIS Translated Excerpt] [passage omitted dealing with Hun Sen thanking supporters and explaining the stance he took last month against his opponents] It is necessary for me to resort to an iron fist in order to control a situation that has been becoming more and more dangerous for our nation. If we do not use what is permitted by the Constitution, we are not worthy of being leaders. We cannot allow others to do what they like. As a representative of the leadership, I always regret any wrong political decision I make. If you are merely a commune or village headman and you make a wrong decision, its consequences will affect only the interests of small localities; however, if political parties make wrong decisions, the consequences will be far too great.

Just now I delayed meeting with you, venerable monks and compatriots, because I had to honor the memory of a major general who was the commander of the 5th Military Region and who recently sacrificed his precious life.

I would like to say here and now that the event regarded as a tornado taking place in the middle of downtown Phnom Penh in April did not merely have the slight effect of causing some political instability; rather, it was tantamount to handing the Khmer Rouge a big bonus.

I would like to tell you that our highly patriotic Khmer Royal Armed Forces, national police, royal military police, and other armed forces have been trying to end the control of the Khmer Rouge right up to this moment. This is because we do not want to keep our country with two governments and two zones of control. That would not conform with the Constitution. Our Constitution stipulates that the Kingdom of Cambodia is an indivisible state. Therefore, the Royal Government and entire armed forces are duty-bound to unify the land through all means, including the use of force, to take back zones under the illegal control of the Khmer Rouge. So we decided to attack Pailin in order to occupy Pailin and end the illegal control of the Khmer Rouge.

Unfortunately, we did not take into consideration the stance of a number of political parties, which had an immense impact on the front. How can the army advance any further in such a situation? For this reason, the general staff as well as the high command decided to call off the campaign there and then. We should not forget that although we have not entered Pailin, the Khmer Rouge cannot stay in Pailin either. We only occupy a few places near Pailin, but we can enter Pailin any time. However, I do not want the army to get stuck in Pailin, which might create instability

in the rear. Therefore, we regret the sacrifices of our combatants. We have suffered hundreds killed and hundreds wounded, including two generals, one military region commander, and one division commander. Many of our colonels also sacrificed their lives.

So this was the result of a political mistake. This political mistake has had serious consequences. It is why I have repeatedly begged all political parties not to make erroneous decisions. You could have done whatever you wanted but only after the Pailin operation had been terminated, after we had won control of Pailin. Would you have died merely by keeping your mouth shut then? What you said was inappropriate and should not have been said at all at a time when we were still working together on good terms, when the armed forces were advancing in their campaign.

Venerable monks, I closely follow developments in the military and security fields as well as developments in the socioeconomic sectors. I shoulder one responsibility: I will never let the nation die. I do not mind confronting anyone, but I will never let the nation die or the soldiers die in vain. I cannot accept that because I am also a prime minister and a co-supreme commander of the armed forces. Consequently, we ordered the offensive against Pailin or any other regions to be discontinued. We are suspending the offensive. But the Khmer Rouge are warned not to be too emboldened, for we can enter Pailin any time. However, this has to do with the morale, the frame of mind of the armed forces. When people in the rear keep talking of things they should not — as when they conjured up a tornado in the heart of Phnom Penh, to which I referred earlier — they have already provoked a negative response.

Therefore, we should not cover up anyone's political mistakes. We should be fair and open. If you are not afraid to talk, to speak out, and to do wrong, then you should not be afraid to take responsibility for it. You know my character; it is as someone here described just now; I am a man like that.

Unfortunately, when mistakes were gradually being rectified, another tornado was unleashed in Paris and another was planned to take place in downtown Phnom Penh. I therefore told myself that it was time for me to get out of the crab hole. I took oaths before the throne, the king, and the supreme patriarchs of the two Buddhist sects that I would execute my duties in conformity with the Constitution and I will not err from them.

Consequently, I am ready to face all eventualities if the others refuse to retreat and give up their treacherous ideas. I have always stayed with the compatriots, I know too well the misery caused by war and I know the misery of the genocidal Pol Pot regime. Because I know the

sufferings from war and from the genocidal Pol Pot regime, I have not hesitated to go anywhere to negotiate a political settlement. [passage omitted extolling Hun Sen's great attitude in the past]

When it comes to taking a decision vitally important to the nation, choosing between war and peace, I have never allowed my personal feelings to influence my political decisions. On the contrary, I always use the law of nonviolence to decide on a political move. [passage omitted on irregularities found during the UN-sponsored elections in 1993 when over 1,000 ballot boxes were tampered with and detailing the 1993 election law finalized at a Supreme National Council meeting in Siem Reap in 1992]

Despite all the irregularities that were discovered, for the sake of the people's happiness, I and other Cambodian People's Party [CPP] leaders decided that we must accept the compromise reached under the august leadership of his majesty the king. We therefore decided to swallow what you would call a bitter pill. Some depressed CPP leaders fled Phnom Penh, instigated demonstrations in various provinces across the country, and ended up staging a failed coup d'etat.

Why do I bring all of this up again? It is because the others dug up the past last month. They revived an old ghost by charging that this party was the winner and that party the loser. As a result, we should do some necessary straightening out to keep them from going too far. The things we did were done on the king's initiative. Stop talking about the power sharing game; otherwise, the CPP will dump it completely, for the CPP has only suspended it for the time being. The CPP has not entirely rejected the complaint. We have only suspended it. When you agreed to join, it was you yourselves who asked to shelve the district-level power sharing.

I therefore warn the leaders of other political parties to take extra care in choosing their words. These people brought up things that they should not, gesticulating wildly when doing so. While the situation was proceeding very smoothly, they brought up something completely out of tune. They threatened to walk out of the government. If they really want to get out, I gladly invite them to do so. Go ahead, leave if you want. I am afraid you will not dare to do what you said. If you want to stay, stay; if you want to leave, leave [words indistinct]. If you opt to stay, we will work together again, but do not expect to get what you want. Mark my words, I am not going to give you what you want, because what you said was wrong, untrue. The CPP cannot accept wrong charges. We have not been slack. If I am found wrong, I will gladly walk away from the government; if I am not

wrong, I will never accept the accusation. I have never received a list of nominated district governors. Never. I have never seen it. How can they say such a thing? They should instead thank me for letting them in.

I apologized to the students and the people the other day. The truth is that I must accept only those recognized by UNTAC [UN Transitional Authority in Cambodia] and no one else. These amounted to about 1,000 nominations only. But I signed approval for 20,000! Now that they have got 20,000, they want more. When they become greedy, I stop giving. If you do not like it, please go away. There is no law stipulating that this government can be easily dissolved. If you want to try, go ahead and try.

Therefore, those who are preparing to become district governors and still sidelined as motorcycle cabbies, please do not give up your trade. There is no chance for you becoming district governors. I am not going to let you. Do you know why? It is because you asked me in the wrong way. And even if I approved, I would surely be considered wrong and vicious. Wrong in that there cannot be such an arrangement. If becoming a district governor is that easy, why bother to go to school? Why not just enlist as party members? [passage indistinct]

Hun Sen will not stage a coup d'etat but Hun Sen opposes a coup d'etat, any coup d'etat, whether it is a military coup or a cold coup [words indistinct] to dissolve the Constitution, the Royal Government, and the National Assembly before its term. [passage indistinct and passage omitted dealing with Hun Sen's care for rural development, orphans, and the poor]

Nevertheless, you just cannot please everybody. They hit back by staging demonstrations to drive me out of Cambodia. In my opinion, no one should waste time trying that. Do not expect Hun Sen to run away from Cambodia. If you demand that I stop, I have this to say: Only if the people stop supporting Hun Sen will Hun Sen stop. You need not call me names. The more abuse you throw at me, the less you can do against me. Before you sought to assassinate me; now you seek my exile. How ridiculous that only 130 persons tried to run me out of the country in a demonstration in France!

I told myself if I have no country to live in anyway, why not make myself strong and use force to cope with problems. Where can I go? Either I live or I die. There is no choice.

So I use an iron fist. Since I wield power, I am not going to let anyone do improper things. It is not permissible to let anyone do improper things anyway; I will not permit it. Neither am I a person that anyone can easily exile or banish. Cambodia also belongs to me. As its citizen,

I have the right to live in this land. You people have multiple nationalities and you refuse to leave. How can you expect me with only one nationality to leave? Of course, I permit you to come in; I am not barring you from entering the country. However, when it is election time, you should give up your foreign nationalities.

As Khmer Nation Party chairman Nguon Soeu said, if you have two wives, you cannot be a loyal husband. That is the truth. You cannot be loyal to any of your wives. You would steal something from one and give it to the other, and vice versa. There could be no loyalty at all. We must therefore have only one nationality. I am not asking much. In the world only Cambodia allows its politicians to have dual nationality. Some countries are even much stricter in this regard. For instance, France does not permit a French man married to a Cambodian woman to [words indistinct].

As far as I am concerned, I have nowhere to go. I have no second nationality like those people — and to say that they are chasing me out of my own country! Where can I go? Even if I were given asylum, I would not leave. Now that you, venerable Buddhist monks, need me, I am not leaving. Today, in Cambodia, there is a demonstration going on, but one that is attended by just a dozen people. But we are not holding a counterdemonstration. They try to provoke us into making a wrong move. But we are not going to be caught making a wrong move. Nevertheless, they themselves should be very careful about what they do and say. Please, allow me the luxury of giving them that warning now that I have come out of the crab hole. I am outside the crab hole now. [passage omitted — Hun Sen repeats his aforementioned stance and thanks the supporters]

Cambodia's Hun Sen: FUNCINPEC Education Minister 'Reprehensible'

*BK0205095496 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 2 May 96*

[Speech by Second Prime Minister Samdech Hun Sen at foundation- stone-laying ceremony in Kong Noy commune, Kandal Stoeng District, Kandal Province, on 2 May — recorded]

[FBIS Translated Excerpt] Today, I wish to inform all of you — the people throughout the country, the local authorities at all levels, the Education Ministry, the Public Service State Secretariat, and the Finance Ministry — of the teacher shortage problem. A few months ago, I pointed out this problem to His Excellency [H.E.] Tol Loah, a FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cam-

bodia] member and minister of education, and H.E. Kea Sahan, under state secretary for education, and to other officials, yet the problem remains unresolved. I do not understand why. [passage omitted]

If the Education Ministry does not want to work, I emphatically ask that local authorities, teachers, and education services in provinces and cities urgently discuss the possibility of hiring more teachers. I urge the heads of provincial or municipal education services, and of education offices in districts and wards, to stop demanding that teachers be forced to retire even if replacements cannot be found. [passage omitted]

With a coalition government, it is difficult to do so. If the education minister were from our party, I should have had him removed long ago. He cannot be left untouched like this. I cannot, however, do so because he is from another party. Nevertheless, the education state secretary from the Cambodian People's Party [CPP] has the authorization should the current minister does not want to work. His performance is reprehensible. [passage omitted]

If another party does not want to work, the CPP and local authorities should join hands to work together to serve the people. They should join district education offices and provincial education services. If replacements for these teachers still cannot be found, they should not ask the minister to order the retirement of existing teachers. [passage omitted]

This is not a political problem, but one that concerns works. There was famine in 1979 and 1980, yet we continued to carry out our works. Why can we not do anything in 1996? Is it because there are too many doctors? I want to speak out over the microphone; I do not care about the reactions. You can resign if you want. I do not care. [passage omitted]

I wish to issue this earnest call: If necessary, teachers should demonstrate against the Education Ministry. This would show the teachers' force. If the ministry does not want to work, a demonstration should be staged against it. We will do nothing else. We merely ask you to solve the teacher problems. The minister is only adept at placing self-appointed teachers to certain schools, according to political party quotas. There is no political party quota at schools, therefore, self-appointed teachers should not be placed or nominated as directors to specific schools, no matter the circumstances. [passage omitted]

**Cambodia: Commentary Chides FUNCINPEC
'Hypocrisy'**

*BK0105145496 Phnom Penh DAMNOENG THMEI
in Cambodian 24 Apr 96 pp 1, 4*

[Commentary by Youbalreas: "FUNCINPEC is the Rust
That Corrodes Metal"]

[FBIS Translated Text] While boasting about their patriotism and desire for national reconciliation, both leaders and members of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] keep telling the people that our country will be weakened and collapse if we are disunited. Only now have the people come to realize that "they are only hypocrites."

We want to raise just two points to prove their hypocrisy.

First: While Cambodia needed to consolidate itself in order to thoroughly resolve the border problems with neighboring countries, the FUNCINPEC, with Prince Krompreah Norodom Ranariddh as president, turned to creating internal problems with fellow Cambodians, despite the fact that a joint effort was needed in the discussion of border problems. This dispute has caused foreign countries to look down upon Cambodia. How can Cambodia be strong enough politically and economically to confront other countries if its people are not on good terms with one another? They will certainly prolong the talks in that case, realizing that Cambodia is very weak.

Therefore, the failure to resolve the border problem is partly caused by the FUNCINPEC and its leader. They have certainly given indirect help to the foreigners through such a deed.

Who has made serious efforts to resolve the border problem? Who else, if not the Cambodian People's Party [CPP]? Therefore, the FUNCINPEC leaders must stop their propaganda about the foreign invasion of Cambodian territory, because they are the ones who have opened ways for this encroachment.

Another point is that the commanders of troops from the FUNCINPEC party ordered their subordinates to stop fighting when the government troops were about to crush the Khmer Rouge and more Khmer Rouge soldiers were returning to join national society, thus creating ways for the Khmer Rouge to continue their destructive maneuvers.

This demonstrated that the FUNCINPEC is turning back to its old tricky nature. Samdech Chea Sim, Samdech Hun Sen, and especially the CPP must be very careful about this party's action. This means that it has

indirectly helped the Khmer Rouge to a certain extent, despite the fact that it is still in the government.

Since they are not sincere toward the government, should they be pardoned? Should they be allowed to continue joining the government? One must not allow rust to corrode metal without taking any precaution.

One must not be misled by this matter, because its perfidious nature can be seen very clearly.

**Cambodia: Government Bans All Political Parties
Not in Assembly**

*BK0205052496 Hong Kong AFP in English
0258 GMT 2 May 96*

[FBIS Transcribed Text] Phnom Penh, May 2 (AFP) — The Cambodian government has ordered all political parties except the four represented in the National Assembly to close their offices and cease operations.

The ministry has also ordered provincial authorities to produce reports on the past and current activities of local and international aid agencies, religious organizations and associations and submit them by July 1 each year.

The April 19 directive from the interior ministry directive to governors in Phnom Penh and the provinces, obtained by AFP, has alarmed human rights groups and others who say it is a sign the government is slipping further toward totalitarianism and away from democracy.

"This is telling people to spy," said one human rights worker. "It looks like the dictatorship of old, not the liberal democracy Cambodia is supposed to have now."

The order says the steps are needed "in order to maintain order and public security" and "to avoid something (bad) happening eventually" and is signed by co-Interior Ministers Sar Kheng and Yu Hokkri.

On the political side, it appears to be aimed at the Khmer Nation Party (KNP), the banned opposition group led by former finance minister Sam Rangsri, but also affects 16 parties that were legally registered for the historic 1993 United Nations-brokered election but did not win any seats in parliament.

In March, Sam Rangsri merged the KNP, which the government has refused to recognize since it was founded in November, 1995, with one of those parties — the little-known Liberal Reconciliation Party (LRP) — hoping to take advantage of the LRP's legal status.

"Obviously that has not worked," said a foreign human rights lawyer. "The government has found another way to keep the KNP illegal."

More troubling, the lawyer and others said, is that the order also closes seemingly non-controversial parties that registered and did not win seats in parliament but have kept their offices open and have been active since the election.

All of those parties are required to re-register with the ministry of interior, which the order notes, does not yet have a law on controlling political parties.

"This is not the way to encourage a multi-party democracy," said another lawyer, noting that only one of the 120 seats in parliament is held by a party not represented in the coalition government and that one member has allied his party with the government.

Ministry of Interior officials could not be immediately reached for comment as Thursday was a national holiday celebrating the birth and death of Buddha.

Cambodia: Ranariddh Demands Action Over TV Program

BK3004132896 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 29-30 Apr 96 pp 1, 10

[Report by Kroesna]

[FBIS Translated Text] The first prime minister, Prince Krompreah Norodom Ranariddh, has criticized a documentary on the achievements of the Royal Government in past two years broadcast over national television on the night of 15 April. Ranariddh alleged that the documentary made snide remarks about the Sangkum Reas Niyum era, thus smearing the reputation of his majesty the king of Cambodia.

In a letter dated 26 April to Information Minister Ieng Muli, the Prince Krompreah said during the Sangkum Reas Niyum era, the Kingdom of Cambodia enjoyed peace, security, and progress. Almost all the political parties today with the Royal Government are carrying on as a result of Sangkum Reas Niyum. The scornful remark about the Sangkum Reas Niyum is a slur on his majesty and violates the Constitution.

Some observers have expressed doubts over the prince's slow reaction, that is 11 days after the documentary was broadcast over television. They believe there might be a political motive behind this, as political stability seems to have been affected.

The documentary narrated the progress achieved by the Royal Government by comparing the various stages of national development. Observers said the Prince Krompreah may have interpreted this as an insult to his father's Sangkum Reas Niyum era, as some parts of the documentary showed higher achievements than in the pre-1970's period.

A high-ranking government official who asked not to be named told REAKSMEI KAMPUCHEA on the evening of 27 April that he has found out who wrote the narrative. Having watched the documentary, he said it is not as serious as Prince Krompreah Norodom Ranariddh has claimed it to be. He added that from the journalism angle, this documentary was not bad. This is because one must accept that there has been better progress made in some areas at present, compared to the Sangkum Reas Niyum.

It is known to all that Samdech Preah Norodom Sihanouk made remarkable progress then, from the second half of the 1950's to the end of the 1960's. Cambodians accept that there was remarkable progress and peace. In their speeches, the present leaders have always mentioned the progress then.

This government official admits there was progress then. However, there have also been achievements later on. Not all that was built during the Sangkum Reas Niyum can last forever and remain unequalled.

What is most serious is that the Prince Krompreah has demanded Ieng Muli to find out who is responsible for the documentary and to punish him according to law.

There are different views on this matter. There does not seem to be any politically offensive thing in this documentary to mete out punishment. Ch@?o?>d?6n??vers believe there might be an attempt to link this to the political problems, including power sharing within the national radio and television directorates.

In this letter, the Prince Krompreah criticized the national television for losing all semblance of neutrality and for being biased in its broadcasts. This is aimed at creating instability and inciting dissension...

Speaking to REAKSMEI KAMPUCHEA, a high-ranking Information Ministry official denied that the national radio and television has lost its neutrality, stressing that some countries cannot do what it has done, that is, present the speeches of our leaders in toto. Other countries only give the gists of their leaders' speeches.

Some observers believe the Prince Krompreah's reaction hints at something else.

Cambodian Official: Criticism of TV Program 'Misinterpretation'

BK0105064196 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 1 May 96 p 11

[Report by Dararit]

[FBIS Translated Text] Information State Secretary Khieu Kanharit has said it is a misinterpretation to think

that an article broadcast over Cambodian television on 15 April on the progress made by the Royal Government of Cambodia over the past two years constitutes indirect contempt for Sangkum Reas Niyum. Why? The article only talked about the general elections and MP's who broke promises they made to the people at the time, when various political parties were in existence. There were no political parties in the Sangkum Reas Niyum era, so the article was not designed to underrate Sangkum Reas Niyum at all.

It should be recalled that the article broadcast over Cambodian television was criticized by First Prime Minister Prince Krompreah Norodom Ranariddh. The prince said the article indirectly underrated Sangkum Reas Niyum, thus affecting his majesty the Cambodian king's reputation. A letter of criticism was sent to Information Minister Ieng Muli on 26 April. In the letter, the prince krompreah said: The television broadcast seriously lacked neutrality and equilibrium and was designed to create instability and incite dissent. He charged that the article was in indirect contempt of Sangkum Reas Niyum, affecting his majesty's reputation and constituting a violation of the Constitution. The prince asked Information Minister Ieng Muli to take measures to find and punish the person responsible for the broadcast.

Khieu Kanharit said he did not believe the article was in indirect contempt of Sangkum Reas Niyum because it only illustrated that MP's from various political parties have not fulfilled their promises. Nevertheless, parties such as the FUNCINPEC (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia), the Cambodian People's Party, and the Buddhist Liberal Democratic Party have helped the people as pledged in the 1993 elections. These parties have made efforts to build schools, hospitals, and trails; dig ponds; and rehabilitate canals for the people. They have also waived taxes on the people's land as pledged. These are concrete actions to fulfill promises.

Khieu Kanharit stressed: Regarding the comparison between political parties in the different periods, we can only cite the 1956 elections held under the Lon Nol regime, in which MP's did not fulfill their promises as they do now. The article was not directed at Sangkum Reas Niyum in the least. The latter was not a party but a regime. Therefore, I believe that such thinking is certainly a misinterpretation.

Cambodia: Goals of Sihanouk-Ranariddh Trip to France Viewed

BK0105112096 Phnom Penh CHAKKRAVAL
in Cambodian 25 Apr 96 pp 1,4

[Column by Socheanit: "Why Did Samdech Sihanouk and Prince Ranariddh Go to France?"]

[FBIS Translated Text] It is uncommon in Cambodia for the coalition government to hold meetings outside of the country, especially with the situation being as tense as it is now. History has shown this is not a good idea: On 18 March 1970, while Samdech Sihanouk was in the Soviet Union, Marshal Lon Nol staged a coup d'etat.

Tricky politicians are always in danger of losing everything when leave home, as shown by Samdech Sihanouk's case.

Knowing that his father had made that mistake, why did Prince Krompreah Norodom Ranariddh follow his father's footsteps? Why did the father not stop his son from following his old mistake? Is not Prince Krompreah Norodom Ranariddh afraid that Samdech Hun Sen might stage a coup d'etat?

Political analysts have said that in the absence of his rival partners — the Prince Krompreah, Samdech Sihanouk, and His Excellency [H.E.] Loy Simchheang — Samdech Hun Sen would never commit a despicable deed to serve his own hegemony. The departure of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] leaders has been evaluated by the people. They have decided that this is a veteran politicians' trick to deceive the present politician — Hun Sen — into staging a coup d'etat so that he will be condemned by the international community as one who craves power and tramples upon the Constitution. This trick failed because there was no reaction whatsoever from Hun Sen.

What happened following the meeting of the king's sons and the royal family members?

The Cambodian politicians like to discuss internal problems with others. Why not discuss internal problems within the country?

The political analysts are worried that in their meeting, the father, his sons, and the royal family members — namely Samdech Sihanouk, Prince Ranariddh, H.E. Loy Simchheang, and Prince Chakkrapong and Prince Sirivut (the two royal family members who are convicts) — would certainly discuss not bowing to Samdech Hun Sen. So far, there has been no report on the outcome of the meeting.

It would be unusual if their plan is to protect the monarchy, which is crumbling at the hands of the royal family members, and to discard the people.

If a destructive campaign does take place after the royal family meeting, all that the people can do is to put their fate in the care of Samdech Hun Sen, who has promised to suppress anyone who attempts to destroy the people's happiness.

Cambodia: Khmer Rouge Says Sihanouk Decision To Stay Abroad 'Correct'

BK0205112396 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 1 May 96

[FBIS Translated Text] It has been reported that King Norodom Sihanouk has decided to stay abroad, and not return to Phnom Penh. Observers have said the king's decision is correct and is an act targeted against the head of Hun Sen, a goonish gangster of communist Vietnam.

What Hun Sen and communist Vietnam are most scared of is the pullout of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] from the two-headed government and assembly. Should FUNCINPEC withdraw, the West will no longer remain interested in helping the most thievish and fascist communist Vietnamese puppets; therefore, they will die. The threat of aid suspension is the weakest point of the communist Vietnamese puppets as it directly affects their lives.

The masses say King Sihanouk should not submit to the puppet Hun Sen and instead should view his insults as rubbish. The monarch should not succumb to his threats. Hun Sen has been beaten and weakened by his soldiers and police, as well as by the people and the national resistance forces.

Some say they will wait and see whether Ranariddh dares to act as courageously as the king. Had he withdrawn from the government and assembly and removed the two-headed emblem, the communist Vietnamese puppets would have already bitten the dust and FUNCINPEC would be able to act freely. Nevertheless, the ghoul Ranariddh has been gutless his whole life. If FUNCINPEC MPs and masses walk out of the assembly, government, and army, the communist Vietnamese puppets would certainly draw their last breaths.

Cambodia: Khieu Samphan Urges Soldiers To 'Mutiny'

BK0205104196 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 1 May 96

[Interview with Khieu Samphan, PGNUNS prime minister and National Union Party chairman, by an unidentified station correspondent; place and date not given — recorded]

[FBIS Translated Text] [Correspondent] My respects to Your Excellency the Prime Minister. Recently at the medical school in Phnom Penh, Hun Sen loudly announced that he would use military force to deal with anyone who dared to stage a coup against the Constitution. He then challenged everyone to repeat his remarks to the princes and king at their meeting in France. Exactly who did he threaten and why?

[Khieu] Thank you, representative of the radio of the Provisional Government of National Union and National Salvation, for asking this question. Allow me to answer in the way I understand it.

Local elections will be held next year, 1997, and general elections in 1998. The FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] people and those who voted for FUNCINPEC had a bitter experience regarding the UNTAC [UN Transitional Authority in Cambodia] elections in 1993. At that time — before, during, and after the voting — they were badly persecuted by Hun Sen and other communist Vietnamese puppets, by their soldiers and public and secret police, especially by the communist Vietnamese puppet administrators in the villages and communes, who, unknown to the outside world, arbitrarily killed or detained them. Tens of thousands of people fled and took refuge under the protection of the National Army of Democratic Kampuchea in each province.

It is now time to prepare for the 1997 local elections and the 1998 general elections. For the elections to be correct, free, and democratic, and for the safety of the ballots, there must be power sharing at the provincial, district, communal, and village levels proportional to the results of the 1993 elections when FUNCINPEC was the winner. It is these provincial, district, communal, and village authorities who will be directly involved in organizing the elections. If the Communist Party of communist Vietnamese puppets Hun Sen and Chea Sim continue to maintain exclusive control of all affairs, it is up to them to manipulate the ballots. If they only give FUNCINPEC 10 of the 120 seats, then what? This is

one scenario. Another scenario is that the people will again be victimized and they are already being done so.

Because of such a bitter experience many FUNCINPEC people might not vote for FUNCINPEC. During the 21 March FUNCINPEC congress, they pressured Ranariddh to reorganize the scattered FUNCINPEC forces. In order to do that FUNCINPEC must revive and relaunch its slogans. This was why Ranariddh raised the questions of Phum Dong and other places on the eve of the 1997 and 1998 elections.

Also, at the prompting of the masses, Ranariddh was forced to talk about the need for Hun Sen and Chea Sim to share power at the district and village levels. At the provincial level, although, there are just a few FUNCINPEC governors and Ranariddh was content to say that there already are FUNCINPEC partnerships. In other words, Ranariddh talked about Phum Dong and the local power sharing merely to protect himself and to prevent the masses from putting too much pressure on him.

[Correspondent] If so, why was Hun Sen so angry?

[Khieu] Of course, the evil prince Ranariddh made those statements merely to protect himself, but they would not stop the FUNCINPEC people either at home or abroad from being indignant. Their hearts are full of rage. This anger was expressed openly. They said if Hun Sen and Chea Sim refused to share power in accordance to the results of the 1993 elections, FUNCINPEC should pull out of the two-headed government and National Assembly and not participate in the 1997 and 1998 elections. Some foreign news agencies reported that members of the royal family held a meeting in France and that the king made certain remarks about Hun Sen. This greatly frightened Hun Sen. Actually, Hun Sen knew nothing. It was the communist Vietnamese who were afraid and ordered Hun Sen to lash out.

First, they were afraid that the FUNCINPEC people would join our entire nation and people in dealing heavier blows to them.

Secondly, they were afraid that should FUNCINPEC withdraw from the two heads, leaving behind only one head, Western powers would stop giving them aid. They have suffered many serious military setbacks and the masses have been giving them blows from all sides. Without aid from the Western powers, they would not have enough time to flee Cambodia. Despite their worries, they continue to cling to, clamor for, and uphold the late Ho Chi Minh's plan to swallow up and incorporate Cambodia and Laos into their Indochinese federation. It is for this reason that they ordered Hun Sen to threaten other people, and issued a memorandum that

Chea Sim was ordered to read to the public, saying they would not share power.

[Correspondent] What will happen next?

[Khieu] Conflicts within the two heads have existed for a long time, but in the past they agreed to compromise with each other on the heaps of our people's bones blood, believing that they could coexist with one another. Despite all the compromises, however, the conflicts continue to grow and now these conflicts have burst into the open and have spawned off many problems to the great alarm of the whole country and the world. They have cancer, yet they try to treat it with aspirin! How can they cure it?

First, those who were victimized side by side with our nation and people were the FUNCINPEC people and those who voted for FUNCINPEC. Then it was His Excellency Sam Rangsri and, later, Prince Sirivut. Now they threaten even his majesty the king. What kind of conflicts are these? They are not conflicts over power, positions, or the interests of this or that individual, this or that group, this or that party. They are conflicts between, on the one hand, the genocidal communist Vietnamese aggressors and their puppets and, on the other, the nation and people, FUNCINPEC, and the king. They are conflicts about communist Vietnam committing genocide against Cambodia, swallowing up Cambodia, and turning Cambodia into another Kampuchea Kraom [ancient territory annexed by Vietnam in the 17th century]. These are life-or-death conflicts.

For this reason, in my opinion, having the communist Vietnamese lackey Hun Sen trying to intimidate Ranariddh and the king will not solve anything. The masses are dubbing Hun Sen the 'skinny buffalo frog.' No matter how hard he tries to puff himself up, he cannot cow our nation or our people. Many other personalities are not afraid of this 'skinny buffalo frog' either. On the contrary, they hate him, and fight and oppose him even more, especially in the current situation where he has dealt with military defeats three years in a row. These defeats are extremely serious and the battlefields are no longer confined to the countryside. Phnom Penh has also become a battlefield.

In conclusion, I would like to appeal to the soldiers of the two heads, to the militiamen of the two heads, and to the administrators of the two heads to stop functioning. Of course, you are being coerced by the two heads, by Hun Sen, and by other chief communist Vietnamese puppets; but they cannot coerce you all the time. Find a way to flee and avoid being sent to the front where you will get yourselves killed. The past three years have clearly demonstrated that neither money nor weapons can withstand the national and people's forces;

therefore, you must stop being soldiers, militiamen, and village and commune administrators in the two heads' service. It can bring you nothing but death.

Look, they have sent you to fight and die, but what about your wives, children, and relatives at home? Do you know that they have been raped, skinned alive, robbed of land and orchards, left to starve, forced to flee from your villages and communes, drifting to the cities and Phnom Penh, and finally getting killed? What about ANKI [National Army of Independent Cambodia] being decimated? What about His Excellency Sam Rangsi being thrown out? What about Prince Sirivut being jailed and banished? What about the grenades thrown at elder Son Sann? What about the scorn, threat, and intimidation they have heaped on the king? Are these the so-called Cambodian Royal Armed Forces? Is this the so-called Royal Government? Is this the so-called Kingdom of Cambodia? No. It is only communist Vietnam; it is its puppets who are slaying Cambodians so that communist Vietnam can swallow up Cambodia and turn it into another Kampuchea Kraom. These are evil-hearted persons who kill Cambodians and bring misery and suffering to the nation and people, to all fellow Cambodians. Soldiers of the two heads and militiamen of the two heads must mutiny and turn your barrels against the two heads, against Hun Sen and Chea Sim, before running away from the battlefields. Without these evil-hearted persons, Cambodia will live; you will live; your wives and children will live; your relatives will live; the king will live; FUNCINPEC will survive; ANKI will survive; and Cambodians will be happy and enjoy democratic rights and freedoms.

Cambodia: Khmer Rouge 28 Apr Attack on Battambang Town Detailed

*BK0105115396 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 1 May 96 pp 1, 5*

[Report by Stoeng Khieu]

[FBIS Translated Excerpt] Mines exploded one after the other in the Battambang provincial town on the night of 28 April, but no casualties were reported. The explosions occurred in different places: The first took place in an area around Sala Louk Balat village, Wat Ko commune, just 3 meters from National Route 10, at 2130. The second occurred at Damnak Luong village's school at 2145, blowing up a school building pole. The third explosion was near the fence of the 5th Military Region command post, located near the 13 January Market, at 2146; and the last one badly damaged a control post of the Second Military Hospital at 2213.

A Battambang provincial police officer said the attacks had been carried out by Khmer Rouge terrorists with

homemade mines in order to cause panic among the people, thus serving their psychological warfare. [passage omitted]

Another explosion occurred at the 7 January Market in the Battambang provincial town on the night of 25 April, causing panic among the people, but no casualties. [passage omitted]

Cambodia: Khmer Rouge Claims Killing of 5th Military Region Commander

BK0205014896 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 1 May 96

[FBIS Translated Text] Major General In Sidare, the puppet 5th Military Region commander, has been killed by the National Army of Democratic [NADK] and poor peasants on the Route 10 battlefield. In Sidare, head of the puppet 5th Military Region and commander of the Route 10 operation following Ke Kimyan, is now dead.

The situation on Route 10 was extremely complex. The officers and rank and file were completely demoralized; scared of the punji-stakes and landmines; and deprived of pay, rice, and medicine. Commanders and soldiers alike became undisciplined, quarreled, fired at each other, refused to go to the front, and deserted by the hundreds every day. Ke Kimyan could not control this situation. On 29 April, Ke Kimyan ordered In Sidare to come and help solve the situation, hoping he would be better at the task. In Sidare had barely reached the battlefield when he was ambushed and killed by the NADK working in close cooperation with the poor peasants. This greatly horrified the other soldiers and commanders, making them even more reluctant to fight out of fear of getting killed.

Indonesia

Indonesia: Daily Views Problems Facing World Trade Organization

*BK0105102396 Jakarta SUARA PEMBARUAN
in Indonesian 29 Apr 96 p 2*

[Editorial: "The World Trade Organization Faces Problems" — italicized passages in English]

[FBIS Translated Text] There were mixed views at the World Trade Congress in response to the United States proposal to include bribery and corruption in the agenda of the World Trade Organization's [WTO] ministerial conference in December. The congress, held in Singapore from 24-25 April, was attended by government officials and business representatives. ASEAN ministers had clearly stated their opposition to the idea.

Fred Bergsten, director of the U.S. Institute for International Economics, told a news conference in Singapore that corruption issue should be discussed among WTO member countries. This is because it could disrupt economic growth in the country concerned, and also negate efforts to liberalize global trade.

Yeo Chow Tong, Singapore minister for trade and industry, said at the close of the congress that WTO member countries were still divided on several issues such as the policy on investment, on competition, labor standards, and the inclusion of bribery and corruption in the WTO agenda. WTO Director General Renato Ruggiero said that the WTO ministerial conference in December was expected to draw up a work program. Current corrupt practices are complicating the realization of true free trade.

On the one hand, many U.S. companies claim that they face losses from failures to win bids in corruption-ridden tenders. On the other, there is frequent *transfer pricing*, where multinational companies often *mark-up* their import prices and lower their exports value to evade taxes. Such a practice will reduce the flow of foreign exchange into the host country.

We have to admit that there has been no unity among members since the WTO was endorsed by trade ministers in Marrakech, on 15 April 1994 when they signed the final act of the Uruguay Rounds. Although much progress has been achieved during the long process towards global trade liberalization since the GATT was signed in Geneva on 30 October 1947, there have been problems in implementing several world trade agreements over the past 50 years.

Due to this, the WTO has crucial tasks ahead: It has to complete negotiations on several issues and review existing agreements inherited from GATT, and face new challenges. The WTO is also preparing recommendations related to the multilateral trading system to expedite the enforcement of regulations on qualifications, technical standards, and licensing for professional services such as accountancy and advertisement.

The WTO is expected to complete its negotiations on sea transportation before 30 June. However, would old regulations that were disadvantageous to the interests of developing countries like Indonesia be maintained by the WTO? For example, the old shipping *freight conference* applied the *free on board* shipping system for exports, and the *cost, insurance, freight* system for imports. With this, income from shipping costs, insurance, and other transportation costs went to industrialized countries. Such costs are very high for Indonesia and this is one of the causes of its current account deficit.

The delegations from Indonesia and other ASEAN member countries which attended the GATT/WTO meetings were not persistent in fighting for import and export trade shipping conditions that could be favorable to them. The current customs procedure is inadequate, and its modernization and simplification has been urged. For Indonesia, which still needs plenty of investment to achieve high economic growth, the current unrealistic segregation between trade and investment systems should be reduced and be in accordance with the global economic environment.

The WTO member countries have adopted varying trade regulations on specifying the origin of exports under their trade policy. As for Indonesia, some of its products are still exported through third countries. The WTO should introduce a uniform and finalized set of regulations on the origin of export products so that producing countries will not be exploited by businessmen. Indonesia itself should be able to take advantage of the WTO against escalating global trade competition.

Indonesia: Three Japanese, Others Arrested in Antinuclear Protest

BK0105053796 Jakarta KOMPAS in Indonesian
30 Apr 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Jepara, KOMPAS — As many as 36 demonstrators from the Indonesian Antinuclear Group [MAI] were arrested and taken to Jepara police headquarters on Sunday (28 April). Three are Japanese citizens. All except the Japanese citizens were released the same evening after their identities were checked.

Lieutenant Colonel (Infantry) Mohammad Rivai, commandant of the Jepara Military District Command 0719, cited four reasons for the arrest of the demonstrators. The MAI activists had no permit to hold the street protest, instigated citizens to reject the nuclear plant project, and did not respect the day of national mourning or the 'Id al-Adha [Islamic feast].

Andi Frank Yuniawang, MAI coordinator for the northern Central Java region, said the three Japanese citizens detained at Jepara police headquarters are Eri Akumura (23), a student at Satya Wacana Christian University in Salatiga; Ineke Yoko (24); and Satto (30). The MAI is trying to secure their immediate release.

Before being arrested, the MAI activists held a free forum on Kartini Beach in Jepara. They voiced their rejection of the use of nuclear energy, distributed leaflets entitled "The Forgotten Chernobyl" to visitors on the beach, and unfurled dozens of posters and a banner that

essentially urged people to reject the use of the nuclear energy.

The demonstrators later proceeded from Kartini Beach to the Jepara town square. They were stopped by the Jepara riot police on the way to their destination. All 36 demonstrators were arrested near the Kamal Juandi Stadium and taken to Jepara police headquarters.

Police disclosed that the MAI demonstrators included college and high school students, unemployed youths, entrepreneurs, and lawyers. Police seized 26 posters, a banner, and a roll of film, but most of the antinuclear leaflets had already been distributed to residents in Jepara and Kudus.

Indonesia: Japanese Official Comments on National Car Policy

*BK0105085396 Jakarta KOMPAS in Indonesian
1 May 96*

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta, KOMPAS — Japan is not yet sure whether it will bring Indonesia's national car policy to the World Trade Organization, but it has reaffirmed that the national car policy is against the WTO rules, the spirit of the Bogor APEC summit, and Indonesia's current investment climate.

"I do not want to presume that we will bring Indonesia's national car policy to the WTO. We have agreed to continue bilateral discussions between senior officials to seek the best solution. Nor do I want to presume what action Japan will take if the discussions fail," Hidehiro Konno, director general of the Department for Economic Cooperation at the Japanese Ministry of International Trade and Industry, told reporters in Jakarta on Tuesday (30 April).

He said the national car policy was clearly against the spirit of the Bogor Declaration issued by the APEC leaders in Bogor in November 1994. "It is against the APEC principles, particularly the principles of transparency and nondiscrimination endorsed in Bogor," Konno stated.

Konno was in Jakarta for a two-day meeting with Anang Fuad Rivai, director general for international trade at the Department of Industry and Trade, and Effendy Sudarsono, director general for metal industry, machinery, and chemicals at the Department of Industry and Trade, to discuss the national car policy enshrined in Presidential Directive No. 2/1996. The policy gives tax privileges to PT Timor Putra Nasional, which will produce "Timor" cars in cooperation with South Korea's KIA Motors.

World Attention [subhead]

The meeting followed talks between Industry and Trade Minister Tunky Ariwibowo and Shunpei Tsukahara, Japanese minister of international trade and industry, in Tokyo in mid-April.

"Indonesia, as a prominent country, has certainly attracted world attention to its policy, which is against WTO rules. We are concerned that if Indonesia does this, other countries are likely to do the same," Konno stated.

According to Konno, the national car policy is also against Jakarta's investment policy, which has succeeded in attracting foreign direct investment. Asia's automotive markets have grown and many world automotive companies, particularly from Japan, want to turn Indonesia into an export base.

"The policy is clearly a blow to the very positive business and investment climate that the Indonesian Government has created. The policy has obviously caused concern among business circles and could be counterproductive for Indonesia," Konno added, while praising Indonesia for creating a dynamic business climate at home.

Konno recalled that U.S. automotive companies had transferred their investment plans from Indonesia to Thailand because of this new policy. "It is up to our private sector to respond to the policy," Konno said when asked whether Japan would do the same.

Meanwhile, Industry and Trade Minister Tunky Ariwibowo told AFP in Jakarta on Tuesday that Indonesia was trying to prevent the national car policy, which is a "small issue," from damaging its economic relations with Japan. "We do not want this small issue to paralyze the entire basis of economic relations," Tunky said.

In Tokyo, Tomio Tsutsumi, deputy minister of international trade and industry, stated that Konno and nine staff members informed Indonesia that the national car policy contravened WTO rules. Konno declined to detail the results of the talks, while Tunky told AFP that differences remain and another meeting would thus be necessary.

Indonesia: PDI 'Task Force' Foils Meeting of Rival Faction

*BK0205054996 Jakarta KOMPAS in Indonesian
2 May 96*

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — Hundreds of members of a task force of the Indonesian

Democratic Party (PDI) forced the Advisory Assembly of the PDI "Reshuffled" Central Executive Council to cancel its meeting at the Youth Hall in Cibubur, East Jakarta on Wednesday (1 May). Functional Group membership cards and a school student card were recovered from a number of delegates to the abortive meeting.

"We demand that the Advisory Assembly meeting be canceled. The legal principles must be upheld," said Suprpto, deputy chairman of the Sukabumi Municipal PDI Executive Council. He said he was leading 50 members of the task force from Sukabumi. The meeting of the Advisory Assembly of the PDI "Reshuffled" Central Executive Council led by Yusuf Merukh was to have paved the way for a PDI extraordinary congress to replace the current leadership of Megawati Sukarnoputri.

Alexander Litaay, secretary general of the PDI Central Executive Council, told KOMPAS that the council had officially asked the government to prevent the convening of a meeting of the Advisory Assembly or a PDI extraordinary congress. "We have sent a letter to the authorities and its copies to various circles to prevent a meeting of the Advisory Council from taking place," he said.

Some 200 members of the PDI task force, wearing red and black costumes and sporting red ribbons around their hands, forced their way into the Youth Hall in Cibubur, East Jakarta upon arrival at about 1030. The "Advisory Assembly" meeting had yet to take place. The task force members immediately asked the delegates to surrender their documents. There were physical clashes in the process.

According to Rudi Harsa, treasurer of the West Java Provincial PDI Executive Council, the task force members asked for meeting documents, delegates' cards, and an authorization letter from the PDI "Reshuffled" Central Executive Council. The task force members also checked their wallets. Functional Group membership cards were recovered from some delegates. "At least 5 to 16 Functional Group membership cards and one school student card were recovered," Rudi said.

Taken Away by Buses [subhead]

Security personnel and policemen brought the situation under control at about 1130. The policemen led by Lieutenant Colonel (Police) Gories Mele immediately led the task force members to a corner of the Youth Hall. Both sides later agreed on a compromise.

According to Rudi, the police asked the PDI task force members to leave the Youth Hall. "They (the delegates) pledged to cancel the meeting. We waited, and they in

fact immediately canceled their meeting," he said. The delegates were eventually taken away by buses.

According to Gories, there was no permit for the meeting of the PDI "Reshuffled" Central Executive Council. He said there should have been a permit from the General Headquarters of the Republic of Indonesia Police for the national meeting. They had failed to meet the requirement.

Suparlan, a chairman of the PDI Central Executive Council, said the abortive executive meeting of the PDI "Reshuffled" Central Executive Council had undermined voter registration for the first stage of the 1997 general election. "It was really immoral. Why should it have been tolerated? We immediately reported the incident to the PDI Central Executive Council," he said. [passage omitted]

Philippines

Philippines: Ramos Appeals for Leniency From Foreign Lenders

BK0105031096 Manila BUSINESS WORLD
in English 1 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Multilateral financial institutions should be more accommodating in viewing developing countries' inability to rapidly install otherwise vital economic reforms. Speaking during the opening ceremony yesterday of the 29th annual meeting of the Asian Development Bank (ADB) board of governors at the Philippine International Convention Center, President Ramos stressed the need for multilateral institutions like the ADB, the World Bank and the International Monetary Fund to acknowledge the diverse, "and even human, technological, physical and capital resource condition of each country" and each one's consequently unique development requirements.

"I speak from our own Philippine experience when I say that multilateral institutions ought to proceed with great sensitivity to the peculiarity of each country's travails and the particularity of the constraints that inhibit the capacity of each government to implement the reform process," Mr. Ramos said.

"A more sure-footed, calibrated approach is, in most cases, more preferable to aggressiveness that invites a backlash," he added. Mr. Ramos said Asian countries should take advantage of their complementarities in human, technological and natural resources to focus regional cooperation on the development of these areas. He acknowledged that the ADB has increasingly shifted its orientation to "the equitable distribution of the

benefits of growth" by focusing on human resource and social development, as well as environmental protection. He also expressed concern over reports the ADB is experiencing a scarcity of soft-loan funds. This, ADB officials had said earlier, would top other concerns in the agenda of their three-day meeting. "We in the Philippines and the developing-country members would encourage greater efforts by the Bank to augment its resources to enlarge its development capacity and be more effective in providing for the growing investment needs of its constituents," Mr. Ramos said.

"Member countries are...enjoined to be more forthcoming in their support for the current general capital increase to expand the resource-generating capacity of the Bank," he added. ADB officials said their bank will have to generate at least \$6 billion to replenish the Asian Development Fund before next year or risk drying it out by then.

They added the ADB is eyeing contributions from such newly industrializing Asian economies as Singapore and Hong Kong to compensate for a scaling down of contributions by industrialized economies.

Philippines: Officials Question Report of Ramos' Minus 4 Rating

BK0105111796 Manila PNA in English
0430 GMT 30 Apr 96

[Received via Internet]

[FBIS Transcribed Text] Manila, April 29 (PNA) — The Social Weather Station (SWS) today denied a report published by MALAYA that President Ramos' rating has dipped to minus four.

Mahar Mangahas, president of the prestigious SWS, wrote Enrique Romualdez, MALAYA executive editor, that "our First National Survey for 1996 is still ongoing, and no one knows yet what the results of the survey will be."

"In the future, kindly verify with us before making news reports about alleged SWS survey results, to avoid misinforming the public," Mangahas said.

Mangahas reacted sharply on the banner headline of MALAYA in its issue today (April 29, 1996), citing the survey came from the SWS that the president's rating has declined further since December 1995.

MALAYA quoted unnamed Palace [Malacanang — presidential palace] sources as the source of the story.

In a related development, Press Secretary Hector R. Villanueva said he did not know where MALAYA got the minus four rating.

Villanueva refuted the claim by MALAYA, saying "we don't believe (the president's rating) has dipped."

He said that there are negative and positive factors to reckon with and all the facts were not obviously considered in writing the article.

He said he has no access to the SWS data, except that SWS surveys are quarterly.

"So minus 4, we have to find out which period they are referring to because in the last three months, so many things have happened here," Villanueva said.

These incidents include the 11 percent inflation, the Ozone fire tragedy, and criminality which could be negative factor, he said.

On the other hand, the quick decision of the president on the resignation of Health Secretary Hilarion Ramiro, the prosecution of those involved in the Ozone fire tragedy, and the Marinduque mine flooding was a positive factor, Villanueva said.

"So this minus 4, I don't know where it is but if it's going to be a negative rating, I think it's going to be very marginal," he said.

Villanueva added that "as far as we are concerned, we don't know where it came from (the survey)."

The Asian Research survey will come out this week dealing on the president's performance. But this has nothing to do with the other surveys.

According to Villanueva, surveys are nothing unless the two sides of the coins are presented and supported by facts and figures.

"What is minus 4, it means nothing," he said it is not fully explained in arriving that figure.

"But if you say that the popularity has declined — 44 percent are dissatisfied and 40 percent are satisfied, then you have a minus four but you have to mention the 44 and 40 percent, otherwise it is meaningless," Villanueva said.

"You know, please don't misquote me but Mahar Mangahas has already denied it," he said.

In spite of the series of events that happened, particularly the Ozone tragedy, criminality, EVAT [expanded value-added tax] and the Ramiro resignation, the president has survived all of these, Villanueva said.

But the recovery of the government in all of these incidents was slow, he said.

The president was "not exactly happy" when he read the report because the story was obviously "not correct," Villanueva said.

Anyway, Mangahas has categorically denied the MALAYA story.

Philippines: Angara Announces Plans for 1998 Presidential Election

BK0105031396 Manila TODAY in English 26 Apr 96 pp 1, 12

[Report by Malou Talosig and Jodeal Cadacio; italicized passages in Tagalog]

[FBIS Transcribed Text] Senate Minority Leader Edgardo Angara, the beleaguered chairman of Laban ng Demokratikong Pilipino [Struggle of Filipino Democrats], announced for the first time yesterday [25 April] that he will run for president in 1998 and that he would not settle for the vice presidency.

"Definitely, I plan to run for President. I will not be a hypocrite about it," Angara told reporters at a news conference in his house.

Angara is at the center of a political crisis because disgruntled Laban stalwarts are wresting the party's chairmanship for Tarlac Rep. Jose "Peping" Cojuangco Jr.

Angara's critics are accusing him of reorganizing Laban's Central Luzon chapter without consulting regional party leaders led by Cojuangco.

Angara said that his continued leadership of Laban will be one of the factors for finally deciding to run in the 1998 presidential race.

"I must know if my partymates would approve it. Also, do I have the resources to mount a national campaign and how will the public accept me as the president," Angara said.

He denied that he has plans to team up with Vice President Joseph Estrada. "I'm not interested in running for the vice presidency," he quipped.

But Angara said he could not yet think of his possible running mate. Observers noted that was a step back from his earlier plan to get Sen. Gloria Macapagal as his vice-presidential candidate.

Macapagal had confirmed there were Laban stalwarts who expressed support for her candidacy for the presidency with colleague Sen. Vicente Sotto III as her possible running mate.

But she denied that the news of the team-up with Sotto came from her, saying others in her party believed she was a strong candidate.

"I don't want to involve myself in this mudslinging. I want to be above party politics. If Senator Angara wants

(the presidency) that badly, he can even crown himself," Macapagal said.

Cojuangco welcomed the Macapagal-Sotto team, describing the proposal as a "healthy development."

"It would be good for the party to have many options for the presidential ticket in 1998," said Cojuangco, younger brother of former President Corazon Aquino and one of the most influential leaders of Laban.

The Tarlac congressman also confirmed that Laban members have been prodding him to contest Angara's leadership but stressed that he would accede to their request only if it will not sow disunity within the party.

"What my colleagues are saying is that it might be better if Angara will resign as party leader. They believe I should replace him because I don not have the ambition. I told them that if it will help the party, I'll accept the offer. But I would like to stress that I am not challenging Angara. However, I told my colleagues that if it will sow disunity in the party, I will not accept the offer."

Angara declined to say that he got angry about the recent clamor to remove him from his position in the party. But he commented, "But now I know who my enemies are and who are not," referring to Laban Rep. Hemando Perez of Batangas and Sen. Heherson Alvarez whom he claimed had been giving him support earlier.

He stubbornly refused to resign the chairmanship of Laban, believing that the clamor was only orchestrated by one or two men with Malacanang's backing.

"Why should I step down? Is there a greater mandate from the others who want me out than I who was duly elected by the party members," Angara said.

Laban Rep. Edcel Lagman of Albay does not see anything wrong with Angara's presidential dream, saying that this setup "will give focus, a rallying point, to the party."

In separate statements, seven Laban stalwarts joined the fray in expressing support to Angara including former speaker and party founding president Ramon V. Mitra, who denied that he endorsed Macapagal in a Palawan convention.

"I will never be involved in any attempt to ask him to resign, much less to seek his ouster as chairman," Mitra said.

Philippines: Executive Secretary on Prospect of Coalition Split

BK0205023796 Manila BUSINESS WORLD in English 2 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Malacanang [presidential palace] yesterday admitted for the first time that it is worried over pending structural reforms with the reportedly impending dissolution of the Lakas-Laban [Power of the Nation-Struggle of Filipino Democrats] coalition.

Executive Secretary Ruben Torres said yesterday the ruling Lakas- National Union of Christian Democrats-United Muslim Democrats of the Philippines (Lakas) is resigned to prospects of a splitup with the Laban ng Demokratikong Pilipino (Laban). "They (Laban) have really decided that already and it is just a matter of confirmation by their national convention," said Mr. Torres, concurrent Lakas vice president for Luzon. "If that is really their decision, we will have to respect it since a coalition is a consensual organization. We wanted the coalition to remain because of the legislative agenda, but now we will have to work really hard to get our bills passed," he said. Executive officials, including Mr. Torres, Finance Secretary Roberto de Ocampo and Socioeconomic Planning Secretary Cielito Habito earlier expressed confidence that a coalition breakup will change prospects for legislative approval of priority measures such as additional exemptions to the Expanded Value Added Tax, the Comprehensive Tax Reform Package, the 1997 General Appropriations Act and several measures that aim to entice firms from Hong Kong.

Thailand

Thailand: U.S. Farmed Shrimp Ban To Seriously Affect Exports

BK0105040696 Bangkok THAILAND TIMES in English 1 May 96 p A1

[Report by Sumet Tokeson]

[FBIS Transcribed Text] Bangkok — Thailand has been dealt another blow by the US, which is likely to impose a ban on the importation of the country's farmed shrimp — in addition to the ban on sea shrimp exports, which becomes effective today, according to Fisheries Department director-general Plotprasop Suratsawadi.

He said the US will impose the sanctions on farmed shrimp exports from Thailand in accordance with legislation banning the farmed shrimp from countries with no measures to protect mangrove forests.

"If the US imposes measures on mangrove forest conservation, Thailand will not be able to export shrimp to the US at all," said Plotprasop, adding that a large number of mangrove forests have been destroyed due to shrimp farming in the country.

The Earth Island Institute formally issued a letter of protest to the United Nations calling on it and other countries around the world to impose measures controlling the importation of shrimp and other marine animals from countries with no mangrove forest conservation policies.

Thailand is one of 56 shrimp exporting countries facing sanctions on shrimp imports by the US in accordance with its legislation intended to penalize governments which do not provide effective protection for sea turtles from shrimp trawlers.

The US will withdraw Thailand from the list if it upgrades its turtle protection measures to US standards, and uses the Turtle Excluder Device (TED), which allows the turtles to extricate themselves when they are inadvertently captured.

The director-general said Thai shrimp exporters need to attach an official form, a DSPI 21, to every shipment to the US in order to guarantee that their products are not from the sea.

Plotprasop said the US ban on sea shrimp due to the endangerment of sea turtles is less important than the new sanctions on farmed shrimp exports, as the latter will have a greater impact on the Thai economy.

He said farmed shrimp constitute 70 percent of shrimp exports to the US, Thailand's biggest shrimp market. Thailand faces losses of more than 20 billion baht.

Plotprasop said Thailand will not fight for the abolition of the sea turtle protection law, but the US' demand that the TED be used.

The director-general said the sanctions on shrimp exports from Thailand will cause a jump in shrimp prices in the US.

A \$900,000 fund to be used to fight the US legislation has been raised in the US, and Thai shrimp exporters will also be asked to contribute to the fund.

Thailand: U.S. Said To Demand More Telecommunication Equity Holdings

BK0205100196 Bangkok MATICHON in Thai 2 May 96 p 7

[FBIS Translated Text] Mrs. Aphiradi Tantraphon, Thai charge d'affaires and acting Thai ambassador to the World Trade Organization, briefed reporters on the

progress of international trade talks under GATT on the liberalization of services, particularly on the telecommunications sector. A deadline was set on 30 April for the participating countries to agree, in principle, on the voluntary liberalization of the telecommunications industry. The United States earlier called on Thailand to be party to this arrangement and Thailand submitted its application and a set of proposals about one month ago. During the latest bilateral negotiations, the United States was very demanding and expressed its dissatisfaction with Thai regulations that allow foreigners to hold only 20 percent of equities in telecommunications companies in the country. The Thai side maintained that full liberalization of the telecommunications industry and an increase in foreign equity holding could only be implemented after a telecommunications master plan and relevant laws were approved by the House of Representatives.

Mrs. Aphiradi said that the United States proposed Thailand set a timetable and procedures for the liberalization of the telecommunications industry. Thailand currently has no timetable or master plan on the development of telecommunications and nobody knows when the relevant laws will be passed.

Mrs. Aphiradi added: "There are no problems with the liberalization of insurance and other industries because we have already taken necessary measures; anyhow, we still have up to five years left to get this job done."

Thailand: PRC Minister Visits To Observe Radio, TV Operations

*BK0205075096 Bangkok ZHONG HUA RIBAO
in Chinese 2 May 96 p 7*

[Unattributed report]

[FBIS Translated Excerpt] Sun Jiazheng, Chinese minister of radio, film, and television, is on a visit to Thailand from 29 April to 5 May along with a nine-member delegation to observe radio and television operations in Thailand.

The Chinese minister of radio, film, and television and his entourage arrived in Bangkok at 1710 on 29 April aboard a Thai Airways International flight. The delegation was welcomed at the airport by Chan Phunsombat, director general of the Public Relations Department, and senior department officials. The delegates checked in at the Holiday Inn after their arrival. The director general of the Public Relations Department held an unofficial banquet in honor of the delegation at the hotel the same night.

At 0830 on 30 April, the Chinese minister of radio, film, and television and his delegation paid a courtesy call on

Piyanat Watcharaphon, minister attached to the Prime Minister's Office [PMO]. After that, the PMO minister accompanied the Chinese delegation on a courtesy call on Air Chief Marshal Sombun Rahong, the deputy prime minister. The deputy prime minister held an official banquet in honor of the Chinese delegation at the Holiday Inn at 1830.

At 0900 on 1 May, the Chinese minister of radio, film, and television and his entourage visited Television Channel 11. They went to observe the operation of Radio Thailand on Wiphawadi Rangsit Road at about 1100. The director general of the Public Relations Department held a luncheon in honor of the delegation at Radio Thailand's office building. In the afternoon, the delegation visited the Grand Palace. [passage omitted]

Thailand: Tax Exemption Accord Signed With Saudi Arabia

*BK0105040896 Bangkok BANGKOK POST
in English 1 May 96 p 17*

[Unattributed report]

[FBIS Transcribed Text] Thailand and Saudi Arabia yesterday ratified an agreement on reciprocal exemption of taxes for air transport enterprises.

A ceremony was held during which the agreement was inked by Thai Permanent Secretary of Foreign Ministry Thep Thewakun and Saudi Arabian Charge d'Affaires Mohammad Said Khoja.

According to a Foreign Ministry statement, the agreement becomes effective immediately. The two countries signed the agreement on May 10, 1994, in Jeddha during a visit by then-deputy foreign minister Surin Phitsuwan.

Under the agreement, income and profit gained by Thai international airlines and Saudi Arabian airlines will be exempted from taxes.

In addition, Thai or Saudi employees of the other country's airline will be exempted from paying taxes on their salary and commission if they stay in Thailand or Saudi Arabia for less than 183 days.

This part of the agreement is retroactive to 1979, the statement said. "This agreement marks another concrete step in deepening the close and friendly relations existing between our two countries," M.R.[Mom Ratchawong — royal title] Thep said.

The statement said the pact would promote air transport enterprises which were the basis of expansion of trade and investment relationships.

Thailand: Cabinet Rejects Proposal To Revamp Countertrade Rules

BK0105041196 Bangkok BANGKOK POST in English 1 May 96 p 26

[Report by Chatrudi Thepharat]

[FBIS Transcribed Text] The Cabinet yesterday turned down a Commerce Ministry request to revise counter-trade principles.

The Cabinet also called on government agencies to strictly adhere to the counter-trade principles to help control the current-account deficit.

It said the subcommittee on counter-trade chaired by Deputy Prime Minister Amnuai Wirawan has to review the requests first.

Deputy Commerce Minister Montri Danphaibun made a proposal to revise the principles as approved by the Cabinet on February 22, 1994.

This was to be in three areas: a reduction of counter-trade proportion to 0-50% from the existing level of 20-50%; projects using foreign loans be exempted from the counter-trade principles; and projects of the Defence Ministry worth 500 million baht also be exempted from using counter-trade as in the case of other state agencies.

Projects worth over 500 million baht must use the counter-trade principles. The Defence Ministry asked that the principles be changed in respect of projects worth over 1,000 million baht.

Government Spokesman Somsak Pritsananthakun said Prime Minister Banhan Sinlapa-acha disagreed with the revision of the first two areas, saying such revisions may worsen the current-account deficit.

Most ministers agreed with the proposed revision relating to projects of the Defence Ministry, and that the principles should be used in the case of other state agencies, beginning with projects worth more than 500 million baht.

Mr Montri said the Commerce Ministry needed to revise the proportion of the value of counter-trade to 0-50% to facilitate some projects in which Thailand needed technology transfer, but where owners of technology did not want to use the counter-trade system.

Fifty-seven projects worth 200 billion baht have come under the counter-trade principles.

Thailand: Cabinet Approves Antidumping Bill

BK0105041296 Bangkok THE NATION in English 1 May 96 pp b1, B2

[Report by Watsana Khomphira]

[FBIS Transcribed Text] The Cabinet yesterday approved the draft anti-dumping and countervailing bill, giving the government the authority to curb competition from imports if overseas manufacturers are found to have set unfairly low prices.

Somsak Pritsananthakun, the government spokesman, said the bill, which will need Parliamentary approval to become an act, will allow for the setting up of a committee to look into dumping allegations.

According to the bill, dumping is defined as pricing of exports below cost, which causes harm to producers in the importing country. In addition, the bill will also consider whether subsidies from governments in exporting countries damage the competitiveness of domestically-produced goods.

The Internal Trade Department will be the agency in charge of handling dumping allegations, instead of the Business Economics Department. Somsak said the bill is not really intended to prevent exporters from dumping products, but rather to set up measures to counter dumping actions after exporters are accused of setting unfairly low prices.

A working committee will also be set up to consider allegations of dumping. Chaired by the Commerce Minister, the committee will have the Finance Minister acting as its vice-chairman.

The committee will include the permanent secretaries to the Finance, Foreign, Industry, and Commerce ministries; the secretary-general of the Board of Investment; the Bank of Thailand's governor; the Attorney General; and the director-generals of the Customs, Internal Trade, and Business Economics departments. The director-general of the Foreign Trade Department will act as the secretary to the working committee.

Nonetheless, the anti-dumping and countervailing bill will adhere to the guiding principles of the General Agreement on Tariffs and Trade.

**Thailand: Prime Minister Reportedly Shelves
Submarine Procurement**

*BK0205022296 Bangkok BANGKOK POST
in English 2 May 96 p 1*

[Report by Watsana Nanuam]

[FBIS Transcribed Text] The Prime Minister has torpedoed the procurement of two diesel attack submarines, a source said yesterday.

Banhan Sinlapa-acha has shelved for at least a year the 17- billion-baht order for A-19 Gotland Class vessels from Kockums of Sweden for fear of bloating the current account deficit.

The deficit last year stood at 335,700 million baht, of which 1,063 million went on Defence Ministry arms purchases.

The source said Supreme Commander Gen Wirot Saengsanit has told Navy Commander Adm Prachet Siridet of the decision.

A senior naval officer said: "We regret this development because it will affect the Navy's strategic development plan."

The decision, he said, was politically motivated. "The Government is putting its own stability above national security," he said.

In its White Paper, the ministry said the submarines were needed to improve naval capabilities in the Gulf of Thailand and South China Sea.

The Navy's moves to buy the vessels led to allegations that Kockums bribed senior Chat Thai figures before the July 2 general election to enhance its chances of winning an order.

The allegations by Henrick Westander, an arms export researcher with the Swedish Peace and Arbitration Society, were rejected by Chat Thai members, who challenged him to back his accusation.

The source also said Mr Banhan was concerned an order would give the Opposition a chance to revive the affair.

Vietnam

**SRV: Do Muoi Addresses Security Force Party
Congress**

*BK0205152796 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 2 May 96*

[FBIS Translated Text] The second party congress of the Public Security Central Force [PSCF] held on 2 May was attended by 247 delegates. The party congress was held to contribute views to documents of the Eighth

National Party Congress, review work performance since the PSCF first congress, outline work in the second term, and elect representatives to the Eighth National Party Congress. Comrade General Secretary Do Muoi and representatives of central party organs also attended the congress.

Over the past five years, in a complicated and difficult situation, the PSCF party committee has thoroughly comprehended the party's renovation line and suggested to the party Central Committee and the government correct and creative policies on security and order protection and on the building of the PSCF, thus contributing to national political stabilization and creating favorable conditions for socioeconomic development. The PSCF has developed into a strong and mature force to meet various requirements in the new period. Based on this renovated thinking, the PSCF party committee has introduced correct guidelines on security and order protection in the new period. It has strengthened its comprehensive leadership over the security work in all of its subordinated party committees.

On behalf of the party Central Committee, after hailing the past achievements of the PSCF, Comrade General Secretary Do Muoi stated that our country is now entering a new period, a period of national industrialization and modernization. The PSCF needs to continue renovating its working method and developing the combined strength of all people and the political system under the party leadership and state management to strongly build the people's security system, actively frustrate all conspiracies by hostile forces, efficiently prevent crimes, and strongly maintain social order and discipline. The protection of national security and social security is taking place in a new situation with different advantages and difficulties. The most important issue is to know how to mobilize all factors to create a new position, power, and opportunity and to stabilize our national situation with a stronger resistant force. To fortify all strengths, the concentrated, uniform, timely, and efficient leadership of all party committees and the fine state management over the security and social order work are indispensable factors. The protection of the party, party leadership, and leading state organs must be strengthened. The protection of internal political stabilization must be satisfactorily carried out. All actions of penetration and sabotage by enemies and subversive elements must be quickly discovered. The party must be built into a strong and clean one. State management over security and social order in our socialist state is the principle, the management method, and the urgent requirement in our society. Therefore, the PSCF party committee must thoroughly study and provide sugges-

tions regarding security and social order to the party and the government.

On behalf of the PSCF and the Interior Ministry, Comrade Bui Thien Ngo, member of the party Political Bureau and secretary of the PSCF party committee, expressed his appreciation for the party Central Committee's concern and guiding opinions offered by Comrade General Secretary Do Muoi. He also voiced the determination to build a clean and strong party committee in the PSCF to successfully maintain security and social order in the new situation.

SRV: Minister Views Labor Disputes, Strikes

*BK3004152996 Hanoi LAO DONG in Vietnamese
24 Apr 96 pp 1, 7*

[Interview with Tran Dinh Hoan, minister of labor, war invalids and social welfare by Minh Quang; place and date not given]

[FBIS Translated Text] The state president on 22 April signed an order promulgating the "ordinance on the settlement of labor disputes." LAO DONG takes this opportunity to interview Minister Tran Dinh Hoan on the problems surrounding this issue.

[LAO DONG] Mr. Minister, labor disputes and worker strikes are on the rise. Does this ordinance have sufficient legal means to resolve and deal with this issue?

[Tran Dinh Hoan] Although regulations on labor procedures are similar in content to the regulations on civil procedures and economic procedures... it is necessary to take into consideration the unique characteristics of various labor disputes and strikes. Procedures on the settlement of labor disputes and strikes should be conform with national realities, especially the multisectorial economy operating under the market mechanism. It means that this ordinance will ensure that trials are carried out openly, objectively, and in accordance with the law, while ensuring that the parties are equal as far as their rights and obligations are concerned before the law. The timeframe to try labor cases is only half of that set for civil cases. For example, the ordinance stipulates that three days after receiving an application requesting a strike (the application must be submitted three days prior to staging a strike), the Labor Court must consider the application and the relevant documents and decide whether to suspend the strike or to allow it to take place. As for the worker's request for legal proceedings against an individual, the court must inform the applicant of its decision within seven days after receiving the request.

[LAO DONG] Could you please describe the nature of the strikes that will be considered legal?

[Tran Dinh Hoan] Strikes that are legal should have the following elements: It must stem from a labor dispute involving all the workers in an establishment within the framework of labor relations; the strike is held by workers within its own premises; the workers do not agree with decision of the labor arbitration council at the provincial level and have no intention to file a suit. The workers must comply with clauses 1 and 2, Article 173 of the Labor Code stipulating that as conciliation is being sought, parties concerned must not take unilateral action against one another. Also, the decision to strike rests with the executive committee of the local trade union and must be based on the concurrence of more than half of the total number of an establishment's workers, who air their views by secret ballot or by signing a petition indicating their intention to take part in the strike. These enterprises must not be public service or essential economic, national security or defense organizations, as is determined by the government. Lastly, the strike must not violate the prime minister's decision on the suspension or halting of strikes. Any strike that does not comply with all the abovementioned six conditions will be considered illegal.

[LAO DONG] How will labor disputes and strikes be settled? When a [labor] judgment becomes valid, will it be different in terms of enforcement from civil court verdicts?

[Tran Dinh Hoan] All labor complaints and disputes as well as strikes will be handled by a board of judges from the Labor Court. The court will assign one, two, or three judges and necessary assistants according to the seriousness of the cases. Procedures for labor litigation and court hearings on disputes are the same as in civil cases. The cases can be settled either in one or all of the three stages: preliminary, appeal, and final hearings [giam docs thaamr]. However, the labor courts will always focus their efforts on reconciliation first, and only resort to court hearings if reconciliation fails.

Once a labor court passes a verdict, for instance it says that a strike is right and the employees win the case, then the employer should abide by the ruling and meet the demands of the employees. If the employer fails to, he will be liable to legal sanctions. It is necessary to point out that if employers ill-treat their employees, abusing them for example, they can be charged under Article 116 of the Criminal Code of Law, as it is not under the jurisdiction of the labor law anymore.

[LAO DONG] Dear minister, does that mean that all strikes after 1 July 1996, the date this ordinance becomes valid, should follow all the steps stipulated by law?

[Tran Dinh Huan] Correct! The laborers were right in about 90 per cent of all the cases of labor disputes and strikes in the past. They were only wrong procedurally. This ordinance, together with other legal documents, will help limit the number of disputes before they develop into strikes. For the labor disputes that this [labor] law fails to settle, they will be handled by other laws, so that the legal rights and interests of workers are protected.

SRV: Illegal Import of Cultural Products Discovered

BK0105115596 Ho Chi Minh City CONG AN THANH PHO HO CHI MINH in Vietnamese 17 Apr 96 p 10

[Article by Huong Long: "Monopoly in Importing Poison"]

[FBIS Translated Text] The Books, Newspaper, and Cultural and Information Goods Import-Export Company (Xunhasaba) is the only unit assigned by the government to import all kinds of books, newspapers, and cultural products to meet domestic demands. This is a reasonable arrangement because the fewer the number of import companies, the easier it is to tightly control them. Regrettably, Xunhasaba, for many reasons, has not been able to carry out its work. For a few hundreds dollars, some people at Xunhasaba have created the conditions for bad and illegal cultural products to come into Vietnam to sabotage....

From Violence, Sex, and Macabre Video Tapes [subhead]

On the morning of 22 December 1995, the Binh Thanh District public security force coordinated with the Culture and Sports Office to search a house in No. 157 of Dien Bien Phu Street, Subward 15 of Binh Thanh District, and discovered that it was a place to rent illegal videos. The inspection team recorded the temporary confiscation of 1,745 video tapes with Korean titles, books written with information on video rentals, two television sets, and two video cassette recorders.

Further investigation revealed that among the confiscated video tapes, 48 were sex tapes, 300 tapes were violent, and 21 were about the supernatural or were thrillers. The owner of these video tapes is Mr. Kyung Chang Min, of South Korean nationality. In addition to 48 sex tapes of unknown origin, all remaining tapes were brought into Vietnam by Xunhasaba for Mr. Min at a price of \$400 for every import deal of 80-100 tapes, on the condition that Xunhasaba would take care of all paper work and having the tapes censored. Mr. Min simply went to a Xunhasaba store to receive the tapes before renting them at the daily rate of 10,000 dong per tape. Both Mr. Min and Xunhasaba carelessly collected

their money without paying attention to how many Vietnamese youths would be poisoned by these violent, lustful, and supernatural tapes!

How did Xunhasaba bring bad cultural products into Vietnam? [subhead]

On 19 July 1994, Xunhasaba sent official correspondence No. 160/XNSB - 94 and No. 100b/XNSB - 94 to the Ministry of Culture and Information and the Ho Chi Minh City Culture and Information Department to seek permission for the import of 300 video tape recordings of South Korean television programs by MBC and KBS [expansion unknown]. This correspondence was signed by Mr. Nguyen Ngoc Thang and Pham Ho Binh, manager and deputy manager of the Xunhasaba office in Ho Chi Minh City. On the same day, Mr. Thang signed an agreement to import South Korean video tapes for Kwang Sung company, which is represented by Mr. Min in Ho Chi Minh City. After that, even before being granted permission by the Ministry of Culture and Information, Xunhasaba hurriedly implemented the agreement, thus creating the conditions for Mr. Min to conduct business illegally.

Xunhasaba continued to defraud the Ministry of Cultural and Information a second time when it brought in uncensored movies for Mr. Min while it applied for the import of video tapes on news (from South Korean television programs). Moreover, when being interviewed by law enforcement agents, some Xunhasaba cadres answered evasively the questions put to them and concealed the facts, thus causing difficulties for the investigation. During the afternoon of 9 April, Xunhasaba General Director Tran Phu Son told a CONG AN THANH PHO correspondent that: In addition to this mistake, Xunhasaba must overcome its shortcomings regarding the import of foreign language newspapers, such as in the case of "What's On in Saigon". "What's On in Saigon" is the name of a newspaper planned to be published by Saigon Tourist. After six months, it could not make its debut, and its license expired. An American took all articles prepared for the newspaper to Bangkok for printing. Later he asked Xunhasaba to import 1,000 copies of each issue of the newspaper to Ho Chi Minh City. After four issues, from which Xunhasaba earned more than \$4,000, "What's on in Saigon" was discovered to be an illegal newspaper. Moreover, it is also contrary to the law to allow a foreigner publish in Vietnam.

Mr. Phu Son added: The mistakes committed by the Xunhasaba branch in Ho Chi Minh City are due to the continuous changing of its management cadres. In addition, some cadres who are considered to be "dynamic" regularly commit mistakes. On the other hand, some official correspondence issued by the culture and

information sector has been contradictory to previous correspondence. Therefore, it is very difficult to implement it. For example, Regulation 1850/VHTT stipulates that the table of contents of import and export books and newspapers must be checked. Then the interministerial Circular No. 26/TTLB issued by the Ministry of Culture and Information and the Ministry of Commerce mentions nothing about this. Decree 133/HDBT on the implementation of the Press Law stipulates that the Vietnam Posts and Telecommunications Corporation organizes and manages the system of publication in the entire country (Article 16), while Decree 79/CP issued six months ago stipulates that all Vietnamese organizations and citizens working as new agents must be authorized by the local Cultural and Information Department. Therefore, permits are required from the Vietnam Posts and Telecommunications Corporation and the local Cultural and Information Department for the sale of books and newspapers. The sale of a few books and newspapers has become more complicated than auto trading!

This problem reveals that our management of imported books, newspapers, and cultural products still has many shortcomings, and it needs to be corrected from the macro-management (legal documents) to the execution in the grassroots. If not, the cultural poison will continue to cross over the border to damage our society.

SRV: Table of Contents of Party Journal No. 18, Dec 95

963E0007A Hanoi TAP CHI CONG SAN
in Vietnamese Dec 95 No 1 p 1

[FBIS Translated Text]

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Australia

Australia: Foreign Minister To Hold Talks in Papua New Guinea

BK0205080596 Melbourne Radio Australia
in English 0500 GMT 2 May 96

[FBIS Transcribed Text] Australia's foreign minister, Alexander Downer, begins talks in Port Moresby today, during which he will explain the new coalition government's policy on Papua New Guinea (PNG). He is making a three-day visit at the invitation of PNG Prime Minister and Foreign Minister Sir Julius Chan.

Mr. Downer says he will be discussing PNG's progress in implementing the reforms now being undertaken as part of the package of assistance agreed to last year by the International Monetary Fund, the World Bank, and other donors, including Australia. The long-running conflict in Bougainville is also expected to be high on the agenda. Australia has expressed its concern at the PNG Government's recent decision to end the cease-fire on the island.

Australia: Foreign Minister Announces Change in Treaty Process

BK0205080096 Melbourne Radio Australia
in English 0500 GMT 2 May 96

[FBIS Transcribed Text] Australian Government is changing the process by which Australia makes treaties with other nations and enter into international obligations. Stuart Heather reports the government says the reforms are intended to enhance domestic involvement in making treaties:

[Begin recording] [Heather] The foreign minister, Alexander Downer, told Federal Parliament that treaties will be tabled there at least 15 sitting days before they become binding:

[Downing] This means that treaties will be tabled after the treaty has been signed for Australia but before action is taken which would bind Australia under international law.

[Heather] Mr. Downer said each treaty will be accompanied by an analysis of (?why) it is in the national interest and he wants more review of treaties by both federal and state-level committees. However, the Labor Party opposition says the announced process is not the same as the coalition's pre-election policy:

[Brereton] It was signed before it has been tabled [word indistinct] there will be no mention of analysis until after it is tabled. [end recording]

Shadow Foreign Minister Laurie Brereton also says nothing in the announcement amounts to a fundamental change of existing practice.

New Zealand

New Zealand: Minister on Domestic Issues, U.S. Ties

BK0105022796 (Internet) New Zealand Parliamentary Homepage WWW in English 26 Apr 96

[Speech by Don McKinnon, New Zealand deputy prime minister and minister of foreign affairs and trade, at the Southern Center for International Studies in Atlanta on 26 April: "The View from Down Under: Global Challenges and New Zealand Responses"]

[FBIS Transcribed Text] This afternoon I want to paint a picture from a more personal palette, rather than from one with perhaps the more limited colours of Government policy. I want to leave you with a vision of New Zealanders which gives you a real feeling for how we see ourselves as a country and how this impacts on the way we view the world.

If you take anything from this address I'd like it to be the impression New Zealanders are driving at full speed, committed to economic and trading excellence, and selling ourselves, and our high quality products to the world. Being at the bottom of the Pacific we have to take this full-on approach.

As a nation with the population of a medium sized US city we are genuinely interested in the world outside our own borders. Our recent stunning economic turn around makes us determined to get out there and capitalise on our new found confidence.

At this stage let me briefly outline where we head from here. I want to spend a few minutes on New Zealand — what we are up to — economically, politically and socially — and finish by reminding you of the vital part the US plays in our foreign policy considerations.

At Home

If it's been a while since you last visited or read about our country you'll notice some big changes.

In the last 15 years we've been on a headlong rush of reform, restructuring, deregulating and privatising, and latterly especially, growth and development. We are currently the most economically free nation on earth. This is according to a group of ten leading economists and politicians surveyed by The Economist magazine.

Even if governmentally neglected for many decades, this notion of freedom is very much a part of the

New Zealand psyche — our national love of wide open spaces of wilderness and sea are renowned.

The Economists accolade reflects a huge transformation. Not so long ago we were a heavily over regulated, almost East European, economy. There had been virtually no economic growth for ten years and debt was high and growing.

In 1983 a period of dramatic restructuring began. They were tough years — our rugged, independent farmers probably bore the brunt of it. But they, and the rest of New Zealand, rose to the challenge. Less than ten years later the OECD described our reforms as the most comprehensive in any developed country in decades.

The economy is now fully exposed to international competition. An environment exists which provides an excellent base for sustained economic growth, investment and employment.

How did we do it? Well here are a few examples:

- industry and retailing were deregulated followed by the financial markets, the exchange rate was floated and we unilaterally removed all quantitative controls on imports and slashed tariffs;

- we undertook one of the largest privatisation programmes as a percentage of GDP in the world, selling state agencies worth over \$12 billion [currency not specified] since 1987. Folk from this country were involved too — Bell Atlantic and Ameritech bought our telecommunications system, Chicago based Wisconsin Central bought our railway and EDS from Plano, Texas bought our Government computer system.

- the public service government workers, partly due to this, were reduced by nearly two thirds;

- we abolished all farming subsidies with the result being, after a difficult transition, our farmers are now innovative, and more importantly responsive to their markets in a way the government never was;

- the employment sector was modernised by the Employment Contracts Act which abolished compulsory union membership and put in its place a flexible labour relations framework; and

- finally, to be sure all this hard work wasn't unravelled, we locked these policies in legislation. The Fiscal Responsibility Act requires the Government to report regularly to Parliament using an accrual accounting method — something I gather is unique to New Zealand. And under the Reserve Bank Act we made our central bank independent and gave it the sole task of maintaining price stability. The Governor, or Chief Executive, is on contract to keep this within a range of 0-2%.

The result is an economy forecast to grow at 3-4% well out beyond 2000; underlying inflation averaging 1.7% in the last four years and unemployment at 6.1% (the third lowest rate in the OECD) from an alarming peak of 11.1% in 1991.

Last year for the first time in almost twenty we had a budget surplus of 3% of GDP. We expect another surplus this year of over \$2.9 billion — and this is expected to double next year. Net public debt is expected to fall next year too to 17.6% of GDP from a high of 52% three years ago and all foreign currency debt will be repaid.

If this sort of excitement wasn't enough we opted for a new electoral system. As my former Australian counterpart, Gareth Evans very wryly put it — as a political party you have written the longest suicide note in history. From the end of this year Parliament will be made up of members, half of whom will gain their seat in a first past the post constituency based vote, and the other half from party lists, gaining their slot under proportional representation.

In a recent speech to a local chamber of commerce I noted the challenge of this new system will be maintaining a level of policy stability despite inevitable party political pressures and consequent uncertainty. There are bound to be some short term policy flip flops but I believe New Zealand's broad foreign and economic policy framework will remain much as it is today.

Finally, a word or two about the social changes in the last decade. New Zealanders now have a renewed confidence in their ability to foot it on the world stage with the best of them.

We know we can go beyond our rural base, which isn't in any way to denigrate its importance — it still accounts for a good 35-40% of our exports. Tourism is now our largest foreign exchange earner and manufactured exports have grown from 6% of our exports in 1970 to 20% today.

Our success is also reflected in our growing pride in ourselves as a truly Pacific nation — not a European outpost but a diverse mix of peoples with their own character. Our multicultural make up — much like the US — is the source of our vibrancy.

Here in the USA

And so here we are in Atlanta. I am very pleased to be here — the center of the world in July. The presence of companies like CNN and Coca-Cola are omnipresent reminders of the city's world stature.

I'd like to acknowledge at this stage the events co-sponsors — Bell South International — one of a number of excellent US corporate citizens attracted to New Zealand and now playing a real role in our economy.

You could perhaps say New Zealand is a sort of dynamic Georgia of the South Pacific. And its fitting recognition of Atlanta's importance as a regional hub that we have established an Honorary Consulate here — in fact in this very building. Ian Latham, an expatriate New Zealander is a partner of Ogilvy and Mather and has kindly agreed to represent us. After lunch I'll open the new consulate.

Could I say, turning to the broader bilateral relationship, New Zealand feels very fortunate to have a really close friend in the US. Your leadership in the post-cold war world is unrivalled — in terms of global security and prosperity.

I've just come from a round of discussions in Washington with members of the Administration and Congress. These talks confirmed, while we don't always agree on every subject, our relationship is in very good shape.

We work well together in a range of fields:

- in international security we are proud to contribute to multilateral peacekeeping efforts around the world;

- we warmly welcome your signature of the South Pacific Nuclear Free Zone Treaty and hope to work with you to conclude a Comprehensive Test Ban Treaty by the end of the year; and

- we cooperate closely in the UN — the only global organisation addressing political and security issues. The quantum leap in demand for its services makes its reform vital. The UN's credibility is at stake. Could I also make a plug for an almost global hope that the US will pay this years contributions and arrears. Reform is irrelevant if the organisation can't function.

Finally, in the continuing struggle for free trade the US has no stauncher ally than us:

- we played complementary roles in the successful conclusion of the Uruguay Round and are working closely to get the new World Trade Organisation running. We are currently supporting the US challenge to a EU ban on certain meat products; and

- in the APEC we both want to harness the regions dynamism to generate world economic growth.

Our reforms have enabled us to take full advantage of the Asia Pacific regions growth and have prompted the interest of American researchers and policy makers. Just this month we welcomed a Congressional Delegation sent by Speaker Gingrich to check us out and our Am-

bassador and officials are familiar figures on the Hill testifying at hearings. Much of the analysis underpinning New Zealand reforms was carried out in this country and your thinkers and administrators remain a source of inspiration.

Our relationship obviously goes well beyond governmental level, important though it is. I believe there is scope for all our linkages, from business people to sporting endeavours, to become stronger.

We are bound to become firmer friends and allies. Stay in touch — we'd love to see all of you in New Zealand at some stage. Thanks for the opportunity to speak to you this afternoon.

New Zealand: Prime Minister To Visit Japan, South Korea 8-12 May

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["Press statement" issued by New Zealand Prime Minister Jim Bolger in Wellington on 29 April]

[FBIS Transcribed Text] The Prime Minister, Rt Hon [Right Honorable] Jim Bolger, announced today details of the visit he is making to North Asia between 8 and 12 May.

The principal purpose of the visit is for the Prime Minister to undertake high level discussions in Japan and the Republic of Korea. "These are important partners of New Zealand in the Asia-Pacific region. We share common interests in the security and stability of the region and work together, bilaterally and in regional organisations like APEC and the ASEAN Regional Forum, to reduce the sources of tension and to improve cooperation and understanding." Mr Bolger said, "New Zealand also has extensive and rapidly-growing bilateral relations with Japan and Korea based on strong economic ties. They are ranked second, and fourth respectively among our trading partners; and third and fifth among sources of tourists. Their importance as sources of investment and migrants is also noteworthy."

In Tokyo the Prime Minister plans to meet Prime Minister Hashimoto to discuss bilateral relations and regional economic and security issues. He will also address Japanese economic organisations on New Zealand's economic reforms, will meet Japanese Parliamentarians, and will hold discussions with New Zealand business representatives based in Tokyo.

In Seoul, the Prime Minister will meet President Kim Yong-sam for political and economic discussions. He will also address the prestigious Asia Society whose annual conference has the theme "Asia Goes Global:

Korea and the Region." Korea, like New Zealand is undergoing a process of economic reform and the Prime Minister's address will discuss the benefits and lessons of reform.

"En route back to New Zealand, the Prime Minister will meet Governor Patten in Hong Kong." New Zealand has important trade and political interests in Hong Kong and my discussions there will be a useful opportunity to update myself on trends in the Territory", the Prime Minister said.

New Zealand's Bolger: Left-Wing Block Win Would Raise Interest Rate

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[Report by Greg Jackson — received via Internet]

[FBIS Transcribed Text] Interest rates will go "through the roof" if New Zealand's voters allow a Left-wing coalition to take power this year, warns Prime Minister Jim Bolger.

Mr Bolger was commenting on recent money market movements in which the key 90-day rate climbed sharply after Michael Laws's shock resignation raised the prospect of more political instability.

Short-term interest rates rose steadily last week, closing at 9.45 per cent and raising the spectre of further mortgage rate rises if rates stay at these levels.

After his keynote speech at the weekend's National Party Canterbury/Westland divisional conference, Mr Bolger said the interest-rate rises were a sign of financial markets' concern that a Left-wing coalition Government could be "cobbled together" under MMP [mixed member proportional electoral system].

"If one was put together, New Zealanders could expect to see interest rates go through the roof," said Mr Bolger.

He repeated his claim from the speech that voters were faced with a "stark choice" this year between an outward

looking National Government or a coalition of Left-leaning parties keen to return to the days of "Fortress New Zealand".

Mr Bolger agreed that the freeing up of New Zealand's economy meant that effectively, policies were now subject to a 24-hour poll from financial markets.

He refused to clarify his thoughts on a possible date for the general election, saying he would wait and see when Michael Laws formally resigned.

In his speech to delegates Mr Bolger said his planned speech on the contrast between "real leadership and sham populism" had been given added substance by the resignation of Michael Laws.

New Zealanders had been shown the difference between responsibility and ill-conceived populism. "The Alliance was a party built on the fear of change, on the false appeal of knocking the success of recent years. When another claimant to that patch of discontent came along and added on the fear of recent migrants from Asia, the Alliance's supporters deserted it in droves," said Mr Bolger.

While he was completing his 55th divisional meeting as National leader, the Labour Party had gone through four leaders during his leadership, and showed all the signs of needing a fifth change.

"We've seen the relative disappearance of the Labour Party as a significant force in mainstream politics, because today they stand for nothing at all."

Mr Bolger renewed his attack on New Zealand First, saying it was ironic that as the party surged ahead in the polls its "real nature" had been exposed by Mr Laws's resignation. "This was not an unfortunate departure from grace for New Zealand First. It was the old pattern running true to form."